

**ALLIANCE BANK MALAYSIA BERHAD**  
**(88103-W)**

(Incorporated in Malaysia)

**Condensed Interim Financial Statements**

**Unaudited Statements of Financial Position as at 30 June 2012**

|  | Note | <b><u>BANK</u></b>      |   |  | <b><u>GROUP</u></b>     |   |  |
|--|------|-------------------------|---|--|-------------------------|---|--|
|  |      | <b>30 June<br/>2012</b> | <b>31 March<br/>2012<br/>(Restated)</b> | <b>1 April<br/>2011<br/>(Restated)</b> | <b>30 June<br/>2012</b> | <b>31 March<br/>2012<br/>(Restated)</b> | <b>1 April<br/>2011<br/>(Restated)</b> |
|  |      | <b>RM'000</b>           | <b>RM'000</b>                           | <b>RM'000</b>                          | <b>RM'000</b>           | <b>RM'000</b>                           | <b>RM'000</b>                          |
| <b>ASSETS</b>  |      |                         |   |  |                         |   |  |
| Cash and short-term funds  |      | <b>979,098</b>          | 1,730,290                               | 958,111                                | <b>991,874</b>          | 1,874,332                               | 911,730                                |
| Deposits and placements with banks<br>and other financial institutions |      | <b>32,501</b>           | 143,461                                 | 954,610                                | <b>32,672</b>           | 93,438                                  | 100,228                                |
| Balances due from clients and brokers                                  | A13  | -                       | -                                       | -                                      | <b>53,100</b>           | 61,764                                  | 80,543                                 |
| Financial assets held-for-trading                                      | A14  | <b>1,432,657</b>        | 1,342,302                               | 1,176,190                              | <b>1,562,623</b>        | 1,491,995                               | 1,938,250                              |
| Financial investments available-for-sale                               | A15  | <b>7,452,122</b>        | 7,419,911                               | 6,329,994                              | <b>9,402,602</b>        | 9,123,201                               | 9,259,940                              |
| Financial investments held-to-maturity                                 | A16  | <b>179,490</b>          | 228,622                                 | 633,521                                | <b>743,096</b>          | 795,256                                 | 940,726                                |
| Derivative financial assets  | A30  | <b>44,979</b>           | 23,712                                  | 32,047                                 | <b>44,979</b>           | 23,712                                  | 32,047                                 |
| Loans, advances and financing  | A17  | <b>20,598,767</b>       | 19,812,605                              | 17,794,354                             | <b>25,347,477</b>       | 24,488,832                              | 21,893,950                             |
| Other assets   | A18  | <b>165,078</b>          | 79,901                                  | 103,509                                | <b>72,610</b>           | 77,799                                  | 87,008                                 |
| Tax recoverable  |      | -                       | -                                       | -                                      | -                       | -                                       | 2,442                                  |
| Statutory deposits with Bank Negara Malaysia                           |      | <b>1,012,950</b>        | 901,250                                 | 225,300                                | <b>1,290,283</b>        | 1,162,983                               | 291,008                                |
| Investments in subsidiaries  |      | <b>801,664</b>          | 801,664                                 | 801,664                                | -                       | -                                       | -                                      |
| Investments in associates  |      | <b>30,230</b>           | 30,230                                  | 30,230                                 | <b>25,927</b>           | 27,035                                  | 29,038                                 |
| Property, plant and equipment  |      | <b>86,866</b>           | 87,696                                  | 100,847                                | <b>88,444</b>           | 89,778                                  | 104,553                                |
| Deferred tax assets  |      | -                       | -                                       | 56,294                                 | <b>13,536</b>           | 15,038                                  | 83,792                                 |
| Intangible assets  |      | <b>239,594</b>          | 238,588                                 | 241,141                                | <b>356,032</b>          | 354,902                                 | 357,682                                |
|  |      | <b>33,055,996</b>       | 32,840,232                              | 29,437,812                             | <b>40,025,255</b>       | 39,680,065                              | 36,112,937                             |
| Non-current assets held for sale                                       |      | <b>2,804</b>            | 3,814                                   | -                                      | <b>2,804</b>            | 3,814                                   | -                                      |
| <b>TOTAL ASSETS</b>  |      | <b>33,058,800</b>       | <b>32,844,046</b>                       | <b>29,437,812</b>                      | <b>40,028,059</b>       | <b>39,683,879</b>                       | <b>36,112,937</b>                      |
| <b>LIABILITIES AND EQUITY</b>  |      |                         |   |  |                         |   |  |
| Deposits from customers  | A19  | <b>26,138,800</b>       | 26,958,903                              | 23,418,868                             | <b>31,599,303</b>       | 32,153,643                              | 28,997,092                             |
| Deposits and placements of banks<br>and other financial institutions   | A20  | <b>2,104,747</b>        | 1,186,730                               | 1,390,331                              | <b>2,977,104</b>        | 2,161,005                               | 1,952,200                              |
| Balances due to clients and brokers                                    | A21  | -                       | -                                       | -                                      | <b>82,093</b>           | 74,915                                  | 86,743                                 |
| Bills and acceptances payable  |      | <b>115</b>              | 131                                     | 111,140                                | <b>196</b>              | 178                                     | 111,159                                |
| Derivative financial liabilities                                       | A30  | <b>31,246</b>           | 26,241                                  | 33,347                                 | <b>31,246</b>           | 26,241                                  | 33,347                                 |
| Amount due to Cagamas Berhad   |      | <b>21,255</b>           | 22,044                                  | 125,776                                | <b>21,255</b>           | 22,044                                  | 125,776                                |
| Other liabilities  | A22  | <b>677,800</b>          | 720,819                                 | 663,533                                | <b>776,005</b>          | 866,788                                 | 810,317                                |
| Provision for taxation   |      | <b>33,428</b>           | 7,281                                   | 35,206                                 | <b>44,212</b>           | 24,527                                  | 40,507                                 |
| Deferred tax liabilities   |      | <b>27,268</b>           | 12,191                                  | -                                      | <b>34,088</b>           | 23,012                                  | 6,190                                  |
| Subordinated obligations   |      | <b>604,491</b>          | 611,615                                 | 600,000                                | <b>604,491</b>          | 611,615                                 | 600,000                                |
| <b>TOTAL LIABILITIES</b>   |      | <b>29,639,150</b>       | <b>29,545,955</b>                       | <b>26,378,201</b>                      | <b>36,169,993</b>       | <b>35,963,968</b>                       | <b>32,763,331</b>                      |
| Share capital  |      | <b>600,517</b>          | 600,517                                 | 600,517                                | <b>600,517</b>          | 600,517                                 | 600,517                                |
| Reserves   |      | <b>2,819,133</b>        | 2,697,574                               | 2,459,094                              | <b>3,252,599</b>        | 3,114,489                               | 2,744,601                              |
| <b>CAPITAL AND RESERVES ATTRIBUTABLE<br/>TO OWNER OF THE PARENT</b>    |      | <b>3,419,650</b>        | 3,298,091                               | 3,059,611                              | <b>3,853,116</b>        | 3,715,006                               | 3,345,118                              |
| Non-controlling interests  |      | -                       | -                                       | -                                      | <b>4,950</b>            | 4,905                                   | 4,488                                  |
| <b>TOTAL EQUITY</b>  |      | <b>3,419,650</b>        | <b>3,298,091</b>                        | <b>3,059,611</b>                       | <b>3,858,066</b>        | <b>3,719,911</b>                        | <b>3,349,606</b>                       |
| <b>TOTAL LIABILITIES AND EQUITY</b>                                    |      | <b>33,058,800</b>       | <b>32,844,046</b>                       | <b>29,437,812</b>                      | <b>40,028,059</b>       | <b>39,683,879</b>                       | <b>36,112,937</b>                      |
| <b>COMMITMENTS AND CONTINGENCIES</b>                                   | A29  | <b>18,000,765</b>       | 16,775,305                              | 14,758,344                             | <b>19,969,628</b>       | 18,741,373                              | 15,909,028                             |

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank and the Group for the financial year ended 31 March 2012.

**ALLIANCE BANK MALAYSIA BERHAD****(88103-W)**

(Incorporated in Malaysia)

**Condensed Interim Financial Statements****Unaudited Statements of Comprehensive Income****for the Financial Period Ended 30 June 2012**

|  |      | <b>1st Quarter Ended</b> |            | <b>Three Months Ended</b> |            |
|--|------|--------------------------|------------|---------------------------|------------|
|  |      | <b>30 June</b>           | 30 June    | <b>30 June</b>            | 30 June    |
|  |      | <b>2012</b>              | 2011       | <b>2012</b>               | 2011       |
|  |      |                          | (Restated) |                           | (Restated) |
| <b><u>BANK</u></b>                               | Note | <b>RM'000</b>            | RM'000     | <b>RM'000</b>             | RM'000     |
| Interest income                                  | A23  | <b>331,968</b>           | 304,980    | <b>331,968</b>            | 304,980    |
| Interest expense                                 | A24  | <b>(164,752)</b>         | (150,535)  | <b>(164,752)</b>          | (150,535)  |
| Net interest income                              |      | <b>167,216</b>           | 154,445    | <b>167,216</b>            | 154,445    |
| Other operating income                           | A26  | <b>72,852</b>            | 70,503     | <b>72,852</b>             | 70,503     |
| Net income                                       |      | <b>240,068</b>           | 224,948    | <b>240,068</b>            | 224,948    |
| Other operating expenses                         | A27  | <b>(121,274)</b>         | (102,687)  | <b>(121,274)</b>          | (102,687)  |
| Operating profit before allowance                |      | <b>118,794</b>           | 122,261    | <b>118,794</b>            | 122,261    |
| Write-back of losses on loans, advances          |      |                          |            |                           |            |
| and financing and other losses                   | A28  | <b>11,270</b>            | 10,706     | <b>11,270</b>             | 10,706     |
| Write-back of impairment                         |      | -                        | 871        | -                         | 871        |
| Profit before taxation                           |      | <b>130,064</b>           | 133,838    | <b>130,064</b>            | 133,838    |
| Taxation   |      | <b>(32,613)</b>          | (33,655)   | <b>(32,613)</b>           | (33,655)   |
| Net profit after taxation                        |      | <b>97,451</b>            | 100,183    | <b>97,451</b>             | 100,183    |
| <b>Other comprehensive income:</b>               |      |                          |            |                           |            |
| Revaluation reserve on financial                 |      |                          |            |                           |            |
| investments available-for-sale                   |      |                          |            |                           |            |
| - Net gain from change in fair value             |      | <b>29,513</b>            | 31,984     | <b>29,513</b>             | 31,984     |
| - Transfer to deferred tax                       |      | <b>(7,378)</b>           | (7,996)    | <b>(7,378)</b>            | (7,996)    |
| Other comprehensive income, net of tax           |      | <b>22,135</b>            | 23,988     | <b>22,135</b>             | 23,988     |
| <b>Total comprehensive income for the period</b> |      | <b>119,586</b>           | 124,171    | <b>119,586</b>            | 124,171    |
| <b>Earnings per share attributable to</b>        |      |                          |            |                           |            |
| owner of the parent                              |      |                          |            |                           |            |
| - Basic (sen)                                    |      | <b>16.3</b>              | 16.8       | <b>16.3</b>               | 16.8       |
| - Diluted (sen)                                  |      | <b>12.2</b>              | 12.6       | <b>12.2</b>               | 12.6       |

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**Condensed Interim Financial Statements**
**Unaudited Consolidated Statements of Comprehensive Income**
**for the Financial Period Ended 30 June 2012**

|   |      | 1st Quarter Ended |                               | Three Months Ended |                               |
|---|------|-------------------|-------------------------------|--------------------|-------------------------------|
|   |      | 30 June<br>2012   | 30 June<br>2011<br>(Restated) | 30 June<br>2012    | 30 June<br>2011<br>(Restated) |
| <b>GROUP</b>  | Note | RM'000            | RM'000                        | RM'000             | RM'000                        |
| Interest income   | A23  | 348,590           | 326,175                       | 348,590            | 326,175                       |
| Interest expense  | A24  | (174,786)         | (159,213)                     | (174,786)          | (159,213)                     |
| Net interest income   |      | 173,804           | 166,962                       | 173,804            | 166,962                       |
| Net income from Islamic banking business                                  | A25  | 63,090            | 61,877                        | 63,090             | 61,877                        |
|   |      | 236,894           | 228,839                       | 236,894            | 228,839                       |
| Other operating income  | A26  | 82,370            | 79,205                        | 82,370             | 79,205                        |
| Net income  |      | 319,264           | 308,044                       | 319,264            | 308,044                       |
| Other operating expenses  | A27  | (160,372)         | (143,158)                     | (160,372)          | (143,158)                     |
| Operating profit before allowance   |      | 158,892           | 164,886                       | 158,892            | 164,886                       |
| Write-back of losses on loans,<br>advances and financing and other losses | A28  | 8,786             | 10,959                        | 8,786              | 10,959                        |
| Write-back of impairment  |      | 473               | 871                           | 473                | 871                           |
| Operating profit after allowance  |      | 168,151           | 176,716                       | 168,151            | 176,716                       |
| Share of results of associates  |      | (1,108)           | (695)                         | (1,108)            | (695)                         |
| Profit before taxation and zakat  |      | 167,043           | 176,021                       | 167,043            | 176,021                       |
| Taxation and zakat  |      | (41,770)          | (44,004)                      | (41,770)           | (44,004)                      |
| Net profit after taxation and zakat                                       |      | 125,273           | 132,017                       | 125,273            | 132,017                       |
| <b>Other comprehensive income:</b>  |      |                   |                               |                    |                               |
| Revaluation reserve on financial<br>investments available-for-sale        |      |                   |                               |                    |                               |
| - Net gain from change in fair value                                      |      | 14,531            | 45,235                        | 14,531             | 45,235                        |
| - Transfer to deferred tax  |      | (3,633)           | (11,309)                      | (3,633)            | (11,309)                      |
| Other comprehensive income, net of tax                                    |      | 10,898            | 33,926                        | 10,898             | 33,926                        |
| <b>Total comprehensive income for the period</b>                          |      | <b>136,171</b>    | <b>165,943</b>                | <b>136,171</b>     | <b>165,943</b>                |
| Profit for the period attributable to:                                    |      |                   |                               |                    |                               |
| Owner of the parent   |      | 125,228           | 131,808                       | 125,228            | 131,808                       |
| Non-controlling interests   |      | 45                | 209                           | 45                 | 209                           |
| Net profit after taxation and zakat                                       |      | 125,273           | 132,017                       | 125,273            | 132,017                       |

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**Condensed Interim Financial Statements****Unaudited Consolidated Statements of Comprehensive Income****for the Financial Period Ended 30 June 2012 (contd.)**

|  | <b>1st Quarter Ended</b> |                | <b>Three Months Ended</b> |                |
|--|--------------------------|----------------|---------------------------|----------------|
|  | <b>30 June</b>           | 30 June        | <b>30 June</b>            | 30 June        |
|  | <b>2012</b>              | 2011           | <b>2012</b>               | 2011           |
|  |                          | (Restated)     |                           | (Restated)     |
| <b><u>GROUP</u></b>  | <b>RM'000</b>            | RM'000         | <b>RM'000</b>             | RM'000         |
| Total comprehensive income for the period attributable to: |                          |                |                           |                |
| Owner of the parent  | <b>136,126</b>           | 165,734        | <b>136,126</b>            | 165,734        |
| Non-controlling interests                                  | <b>45</b>                | 209            | <b>45</b>                 | 209            |
| Total comprehensive income for the period                  | <b><u>136,171</u></b>    | <u>165,943</u> | <b><u>136,171</u></b>     | <u>165,943</u> |
| Earnings per share attributable to owner of the parent     |                          |                |                           |                |
| - Basic (sen)  | <b>21.0</b>              | 22.1           | <b>21.0</b>               | 22.1           |
| - Diluted (sen)  | <b><u>15.7</u></b>       | <u>16.5</u>    | <b><u>15.7</u></b>        | <u>16.5</u>    |

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**ALLIANCE BANK MALAYSIA BERHAD**  
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**Condensed Interim Financial Statements**  
**Unaudited Statements of Changes in Equity for the Financial Period Ended 30 June 2012**

|   | Non-distributable reserves |  |                |                   |                      | Distributable reserves          |                  |                  |
|---|----------------------------|--|----------------|-------------------|----------------------|---------------------------------|------------------|------------------|
|   | Ordinary shares            | Irredeemable (Non-cumulative) Convertible Preference Shares ("ICPS") | Share premium  | Statutory reserve | Revaluation reserves | Equity contribution from parent | Retained profits | Total equity     |
|   | RM'000                     | RM'000   | RM'000         | RM'000            | RM'000               | RM'000                          | RM'000           | RM'000           |
| <b><u>BANK</u></b>  |                            |  |                |                   |                      |                                 |                  |                  |
| At 1 April 2012   |                            |  |                |                   |                      |                                 |                  |                  |
| - As previously stated                                    | 596,517                    | 4,000  | 597,517        | 601,561           | 88,334               | 12,274                          | 1,333,979        | 3,234,182        |
| - Effect on full adoption of MFRS 139                     | -                          | -  | -              | -                 | -                    | -                               | 63,909           | 63,909           |
| As restated   | 596,517                    | 4,000  | 597,517        | 601,561           | 88,334               | 12,274                          | 1,397,888        | 3,298,091        |
| Net profit after taxation                                 | -                          | -  | -              | -                 | -                    | -                               | 97,451           | 97,451           |
| Other comprehensive income                                | -                          | -  | -              | -                 | 22,135               | -                               | -                | 22,135           |
| Total comprehensive income for the period                 | -                          | -  | -              | -                 | 22,135               | -                               | 97,451           | 119,586          |
| Share-based payment under Employees' Share Scheme ("ESS") | -                          | -  | -              | -                 | -                    | 1,973                           | -                | 1,973            |
| <b>At 30 June 2012</b>                                    | <b>596,517</b>             | <b>4,000</b>   | <b>597,517</b> | <b>601,561</b>    | <b>110,469</b>       | <b>14,247</b>                   | <b>1,495,339</b> | <b>3,419,650</b> |
| At 1 April 2011   |                            |  |                |                   |                      |                                 |                  |                  |
| - As previously stated                                    | 596,517                    | 4,000  | 597,517        | 601,561           | 43,051               | 11,803                          | 1,148,228        | 3,002,677        |
| - Effect on full adoption of MFRS 139                     | -                          | -  | -              | -                 | -                    | -                               | 56,934           | 56,934           |
| As restated   | 596,517                    | 4,000  | 597,517        | 601,561           | 43,051               | 11,803                          | 1,205,162        | 3,059,611        |
| Net profit after taxation                                 | -                          | -  | -              | -                 | -                    | -                               | 100,183          | 100,183          |
| Other comprehensive income                                | -                          | -  | -              | -                 | 23,988               | -                               | -                | 23,988           |
| Total comprehensive income for the period                 | -                          | -  | -              | -                 | 23,988               | -                               | 100,183          | 124,171          |
| Share-based payment under ESS                             | -                          | -  | -              | -                 | -                    | 1,294                           | -                | 1,294            |
| <b>At 30 June 2011</b>                                    | <b>596,517</b>             | <b>4,000</b>   | <b>597,517</b> | <b>601,561</b>    | <b>67,039</b>        | <b>13,097</b>                   | <b>1,305,345</b> | <b>3,185,076</b> |

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**Condensed Interim Financial Statements**
**Unaudited Statements of Changes in Equity for the Financial Period Ended 30 June 2012 (contd.)**

|   | Attributable to owner of the parent |              |                  |                      |                   |                         |                                       |   |                     |                  |                                  |                  |
|---|-------------------------------------|--------------|------------------|----------------------|-------------------|-------------------------|---------------------------------------|---|---------------------|------------------|----------------------------------|------------------|
|   | Ordinary<br>shares                  | ICPS         | Share<br>premium | Statutory<br>reserve | Other<br>reserves | Revaluation<br>reserves | Equity<br>contribution<br>from parent | Profit<br>Equalisation<br>Reserve ("PER") | Retained<br>profits | Total            | Non-<br>controlling<br>interests | Total<br>equity  |
| <b>GROUP</b>                              | RM'000                              | RM'000       | RM'000           | RM'000               | RM'000            | RM'000                  | RM'000                                | RM'000                                    | RM'000              | RM'000           | RM'000                           | RM'000           |
| At 1 April 2012                           |                                     |              |                  |                      |                   |                         |                                       |   |                     |                  |                                  |                  |
| - As previously stated                    | 596,517                             | 4,000        | 597,517          | 842,167              | 10,018            | 132,769                 | 13,733                                | 1,033                                     | 1,420,731           | 3,618,485        | 4,905                            | 3,623,390        |
| - Effect on full adoption of MFRS 139     | -                                   | -            | -                | -                    | -                 | -                       | -                                     | -   | 96,521              | 96,521           | -                                | 96,521           |
| As restated                               | 596,517                             | 4,000        | 597,517          | 842,167              | 10,018            | 132,769                 | 13,733                                | 1,033                                     | 1,517,252           | 3,715,006        | 4,905                            | 3,719,911        |
| Net profit after taxation and zakat       | -                                   | -            | -                | -                    | -                 | -                       | -                                     | -   | 125,228             | 125,228          | 45                               | 125,273          |
| Other comprehensive income                | -                                   | -            | -                | -                    | -                 | 10,898                  | -                                     | -   | -                   | 10,898           | -                                | 10,898           |
| Total comprehensive income for the period | -                                   | -            | -                | -                    | -                 | 10,898                  | -                                     | -   | 125,228             | 136,126          | 45                               | 136,171          |
| Share-based payment under ESS             | -                                   | -            | -                | -                    | -                 | -                       | 1,984                                 | -   | -                   | 1,984            | -                                | 1,984            |
| <b>At 30 June 2012</b>                    | <b>596,517</b>                      | <b>4,000</b> | <b>597,517</b>   | <b>842,167</b>       | <b>10,018</b>     | <b>143,667</b>          | <b>15,717</b>                         | <b>1,033</b>                              | <b>1,642,480</b>    | <b>3,853,116</b> | <b>4,950</b>                     | <b>3,858,066</b> |
| At 1 April 2011                           |                                     |              |                  |                      |                   |                         |                                       |   |                     |                  |                                  |                  |
| - As previously stated                    | 596,517                             | 4,000        | 597,517          | 786,406              | 10,018            | 68,620                  | 13,544                                | 1,033                                     | 1,194,222           | 3,271,877        | 4,488                            | 3,276,365        |
| - Effect on full adoption of MFRS 139     | -                                   | -            | -                | -                    | -                 | -                       | -                                     | -   | 73,241              | 73,241           | -                                | 73,241           |
| As restated                               | 596,517                             | 4,000        | 597,517          | 786,406              | 10,018            | 68,620                  | 13,544                                | 1,033                                     | 1,267,463           | 3,345,118        | 4,488                            | 3,349,606        |
| Net profit after taxation and zakat       | -                                   | -            | -                | -                    | -                 | -                       | -                                     | -   | 131,808             | 131,808          | 209                              | 132,017          |
| Other comprehensive income                | -                                   | -            | -                | -                    | -                 | 33,926                  | -                                     | -   | -                   | 33,926           | -                                | 33,926           |
| Total comprehensive income for the period | -                                   | -            | -                | -                    | -                 | 33,926                  | -                                     | -   | 131,808             | 165,734          | 209                              | 165,943          |
| Share-based payment under ESS             | -                                   | -            | -                | -                    | -                 | -                       | 1,263                                 | -   | -                   | 1,263            | -                                | 1,263            |
| <b>At 30 June 2011</b>                    | <b>596,517</b>                      | <b>4,000</b> | <b>597,517</b>   | <b>786,406</b>       | <b>10,018</b>     | <b>102,546</b>          | <b>14,807</b>                         | <b>1,033</b>                              | <b>1,399,271</b>    | <b>3,512,115</b> | <b>4,697</b>                     | <b>3,516,812</b> |

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank and the Group for the financial year ended 31 March 2012.

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**Condensed Interim Financial Statements****Unaudited Condensed Statements of Cash Flow for the Financial Period Ended 30 June 2012**

|  | <b><u>BANK</u></b> |             | <b><u>GROUP</u></b> |             |
|--|--------------------|-------------|---------------------|-------------|
|  | <b>30 June</b>     | 30 June     | <b>30 June</b>      | 30 June     |
|  | <b>2012</b>        | 2011        | <b>2012</b>         | 2011        |
|  |                    | (Restated)  |                     | (Restated)  |
|  | <b>RM'000</b>      | RM'000      | <b>RM'000</b>       | RM'000      |
| Profit before taxation and zakat                       | <b>130,064</b>     | 133,838     | <b>167,043</b>      | 176,021     |
| Adjustments for non-cash items                         | <b>(108,456)</b>   | (82,601)    | <b>(113,844)</b>    | (86,540)    |
| Operating profit before changes in working capital     | <b>21,608</b>      | 51,237      | <b>53,199</b>       | 89,481      |
| Changes in working capital                             | <b>(893,565)</b>   | 1,712,147   | <b>(781,212)</b>    | 2,769,791   |
| Taxation and zakat refund/(paid)                       | <b>1,238</b>       | (43,775)    | <b>(13,131)</b>     | (55,661)    |
| Net cash generated from operating activities           | <b>(870,719)</b>   | 1,719,609   | <b>(741,144)</b>    | 2,803,611   |
| Net cash generated from/(used in) investing activities | <b>133,947</b>     | (1,788,953) | <b>(115,114)</b>    | (2,716,562) |
| Net cash used in financing activities                  | <b>(14,420)</b>    | (14,896)    | <b>(14,420)</b>     | (14,896)    |
| Net changes in cash and cash equivalents               | <b>(751,192)</b>   | (84,240)    | <b>(870,678)</b>    | 72,153      |
| Cash and cash equivalents at beginning of the year     | <b>1,730,290</b>   | 958,111     | <b>1,786,828</b>    | 824,226     |
| Cash and cash equivalents at end of the period         | <b>979,098</b>     | 873,871     | <b>916,150</b>      | 896,379     |
| Cash and cash equivalent comprise:                     |                    |             |                     |             |
| Cash and short-term funds                              | <b>979,098</b>     | 873,871     | <b>991,874</b>      | 954,643     |
| Less: Monies held in trust                             | <b>-</b>           | -           | <b>(75,724)</b>     | (58,264)    |
|  | <b>979,098</b>     | 873,871     | <b>916,150</b>      | 896,379     |

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank and the Group for the financial year ended 31 March 2012.

**Explanatory Notes**

**PART A - Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 ("MFRS 134") and Revised Guidelines on Financial Reporting for Banking Institutions ("BNM/GP8") Issued by Bank Negara Malaysia ("BNM")**

**A1 Basis of Preparation**

The unaudited condensed interim financial statements for the 1st financial quarter ended 30 June 2012 have been prepared in accordance with MFRS 134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ("MASB") and BNM's Revised Guidelines on Financial Reporting for Banking Institutions ("revised BNM/GP8").

The unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements of Alliance Bank Malaysia Berhad ("the Bank") and the Group for the financial year ended 31 March 2012. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Bank and the Group since the financial year ended 31 March 2012.

These unaudited condensed interim financial statements are the Bank's and the Group's first MFRS condensed interim financial statements for part of the period covered by the Bank's and the Group's first MFRS annual financial statements for the year ending 31 March 2013. MFRS 1 First-Time Adoption of Malaysian Financial Reporting Standards ("MFRS 1") has been applied.

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 March 2012, and modified for the adoption of the following accounting standards applicable for financial periods beginning on or after 1 April 2012:

- MFRS 124 (revised) "Related party disclosure"
- MFRS 139 "Financial instruments: Recognition and measurement"
- Amendments to MFRS 1 "First time adoption on fixed dates and hyperinflation"
- Amendments to MFRS 7 "Financial instruments: Disclosures on transfer of financial assets"
- Amendments to MFRS 112 "Income taxes"
- IC Interpretation 19 "Extinguishing financial liabilities with equity instruments"

The adoption of the above accounting standards, amendments to published accounting standards and interpretations to existing accounting standards does not give rise to any material financial effects to the Bank and the Group, except for the adoption of MFRS 139.

Previously, the Bank and the Group applied the Amendment to FRS 139, which included an additional transitional arrangement for financial sectors, whereby BNM may prescribed the use of an alternative basis for collective assessment of impairments on loans, advances and financing. This transitional arrangement is prescribed in BNM's Guidelines on Classification and Impairment Provisions for Loans/Financing issued on 8 January 2010 and subsequently updated on 26 January 2010 and 17 December 2010, whereby banking institutions are required to maintain collective assessment allowance of at least 1.5% of total outstanding loans/financing, net of individual impairment allowance under the transitional provisions in the guidelines.

With effect from 1 January 2012, BNM has removed the transitional provision for banking institution on collective evaluation of loan impairment assessment and loan loss provisioning to comply with MFRS 139 requirements. Exposures not individually known to be impaired are placed into pools of similar assets with similar risk characteristics to be collectively assessed for losses that have been incurred but not identified yet. The required loan loss allowance is estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the collective pool. The historical loss experience is adjusted based on current observable data.



**A1 Basis of Preparation (contd.)**

The change in accounting policies mentioned above have been accounted for retrospectively by re-measuring the relevant financial assets, as appropriate, and recording any adjustments to the previous carrying amounts to the Bank's and the Group's opening retained profits. As such, comparatives have been restated to conform with current year's presentation. The principal effects of the changes in accounting policies arising from the adoption of MFRS 139 are disclosed in Note 34.

The following revised MFRSs, new IC Interpretations and Amendments to MFRSs have been issued by the MASB and are effective for annual periods commencing on or after 1 April 2013, and have yet to be adopted by the Bank and the Group:

- MFRS 9 "Financial instruments - Classifications and measurement of financial assets and financial liabilities" (effective 1 January 2015)
- MFRS 10 "Consolidated financial statements" (effective 1 January 2013)
- MFRS 11 "Joint arrangements" (effective 1 January 2013)
- MFRS 12 "Disclosures of interests in other entities" (effective 1 January 2013)
- MFRS 13 "Fair value measurement" (effective 1 January 2013)
- MFRS 127 (revised) "Separate financial statements" (effective 1 January 2013)
- MFRS 128 (revised) "Investments in associates and joint ventures" (effective 1 January 2013)
- Amendment to MFRS 7 "Financial instruments: Disclosures" (effective 1 January 2013)
- Amendment to MFRS 101 "Presentation of items of other comprehensive income" (effective 1 July 2012)
- Amendment to MFRS 119 "Employee benefits" (effective 1 January 2013)
- Amendment to MFRS 132 "Financial instruments: Presentations" (effective 1 January 2014)

The preparation of unaudited condensed interim financial statements in conformity with the Financial Reporting Standards requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the unaudited condensed interim financial statements, and the reported amounts of income and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Bank and Group's accounting policies. Although these estimates and assumptions are based on the Directors' best knowledge of current events and actions, actual results may differ.

**A2 Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the annual financial statements for the financial year ended 31 March 2012 was not subject to any qualification.

**A3 Seasonality or Cyclicity of Operations**

The operations of the Bank and the Group were not materially affected by any seasonal or cyclical fluctuations in the 1st financial quarter ended 30 June 2012.

**A4 Unusual Items Due to Their Nature, Size or Incidence**

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Bank and the Group in the 1st financial quarter ended 30 June 2012.

**A5 Changes in Estimates**

There were no material changes in estimates of amounts reported in prior financial years that have a material effect in the 1st financial quarter ended 30 June 2012.

**A6 Issuance and Repayment of Debt and Equity Securities**

There were no issuance or repayment of debt and equity securities during the 1st financial quarter ended 30 June 2012.

**A7 Dividend Paid**

There was no dividend paid during the 1st financial quarter ended 30 June 2012.

**A8 Significant Events**

There was no material event occur during the 1st financial quarter ended 30 June 2012.

**A9 Material Event Subsequent to the End of the Financial Reporting Period**

Alliance Financial Group Berhad Employee's Share Scheme ("AFG Bhd ESS")

On 6 July 2012, Alliance Financial Group Berhad, the holding company of the Bank offered/awarded the following share options and share grants to Directors and employees of the Company and its subsidiaries who have met the criteria of eligibility for the participation in the ESS:

- (i) 13,021,400 share options under the Share Option Plan at an option price of RM4.22 per share which will be vested subject to the achievement of performance conditions.
- (ii) 1,705,300 share grants under the Share Grant Plan. The first 50% of the share grants are to be vested at the end of the 2nd year and the remaining 50% of the share grants are to be vested at the end of the 3rd year from the date on which an award is made.

Save for the Group Chief Executive Officer of the Bank, none of the other Directors of the Company were offered/awarded any share options/share grants.

The holding company operates an equity-settled, share-based compensation plan pursuant to the ESS. Under the FRS 2 Share-based payment, the compensation expense relating to the share scheme is recognised in profit or loss over the vesting periods of the grants with a corresponding increase in equity.

**A10 Related Party Transactions**

All related party transactions within the Group have been entered into in the normal course of business and were carried out on normal commercial terms.

**A11 Proposed Dividends**

No dividend has been proposed or declared for the 1st quarter ended 30 June 2012.

**A12 Material Litigation**

- (a) A corporate borrower had issued a Writ of Summons in 2005 against an agent bank for a syndicate of lenders comprising three banks of which the Bank is one of them, claiming for general, special and exemplary damages alleging a breach of duty and contract. The credit facilities consist of a bridging loan of RM58.5 million and a revolving credit facility of RM4.0 million which were granted by the syndicate lenders of which the Bank's participation was RM18.5 million. In 2002, the credit facilities were restructured to a loan of RM30.0 million, of which the Bank's participation was RM8.31 million, payable over seven years. The syndicated lenders had also filed a suit against the corporate borrower for the recovery of the abovementioned loan.

The two suits were then consolidated and heard together. On 6 May 2009, judgment was delivered against the agent bank for special damages amounting to RM115.5 million together with interest at the rate of 6% per annum from date of disbursement to date of realisation with general damages to be assessed by the Court. The agent bank's solicitors has filed an appeal against the said decision. The High Court on 24 June 2009 granted the agent bank a stay of execution of the judgment pending disposal of its appeal at the Court of Appeal. The Court of Appeal has fixed the hearing of the appeal for 19 June 2012.

On 19 June 2012, the Court of Appeal had scheduled the appeal for continued hearing on 3 August 2012.

The advice from the agent bank's solicitors is that there is a better than even chance of succeeding in the said appeal.

- (b) The Bank commenced a civil suit against an individual borrower in March 2007 for recovery of an overdraft facility secured by shares from the individual borrower and shares from a third party. The individual borrower counter-claimed against the Bank for various declarations amongst others that the Bank had acted wrongfully or in bad faith in demanding repayment of the facility and that there was in existence a collateral contract between the individual borrower, the Bank and the third party. In addition, the individual borrower is also claiming for general damages to be assessed by the courts.

Arising from the above-mentioned suit, the third party in September 2008 filed a separate suit against the Bank for force selling the shares pledged by the third party. The third party's claim is for damages for loss of the benefit of the shares pledged to the Bank, damages for conversion, damages for misrepresentation and for breach of contract.

The two cases were consolidated into one suit. The consolidated suits were heard from 20 till 24 February 2012. On 20 March 2012, the High Court allowed the Bank's claim against the individual borrower and dismissed the individual borrower's counter claim against the Bank with costs of RM150,000.00. The individual borrower has since filed an appeal to the Court of Appeal against the said decision. The Bank is contesting the appeal.

On 20 March 2012, the High Court also dismissed the third party's suit against the Bank with costs of RM150,000. The third party has since appealed against the said decision to the Court of Appeal. The Bank is contesting the appeal.

On 5 June 2012, the third party had discontinued its appeal at the Court of Appeal with no order as to costs. On 12 June 2012 the individual borrower had also discontinued his appeal at the Court of Appeal with no order as to costs.

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**A13 Balances Due From Clients And Brokers**

|                            | <b>GROUP</b>   |            |
|----------------------------|----------------|------------|
|                            | <b>30 June</b> | 31 March   |
|                            | <b>2012</b>    | 2012       |
|                            |                | (Restated) |
|                            | <b>RM'000</b>  | RM'000     |
| Due from clients           | <b>54,349</b>  | 58,060     |
| Due from brokers           | <b>-</b>       | 4,900      |
|                            | <b>54,349</b>  | 62,960     |
| Less:                      |                |            |
| Allowance for other losses | <b>(1,249)</b> | (1,196)    |
|                            | <b>53,100</b>  | 61,764     |

These represent amounts receivable by Alliance Investment Bank Berhad ("AIBB") from non-margin clients and outstanding contracts entered into on behalf of clients where settlement via the Bursa Malaysia Securities Clearing Sdn. Bhd. has yet to be made.

AIBB's normal trade credit terms for non-margin clients is three (3) market days in accordance with the Bursa Malaysia Securities Berhad's ("Bursa") Fixed Delivery and Settlement System ("FDSS") trading rules.

Included in the balances due from clients and brokers are impaired accounts, as follows:

|                        | <b>GROUP</b>   |          |
|------------------------|----------------|----------|
|                        | <b>30 June</b> | 31 March |
|                        | <b>2012</b>    | 2012     |
|                        | <b>RM'000</b>  | RM'000   |
| Classified as doubtful | <b>144</b>     | 165      |
| Classified as bad      | <b>1,402</b>   | 1,420    |
|                        | <b>1,546</b>   | 1,585    |

The movements in allowance for other losses are as follows:

|                                       |              |          |
|---------------------------------------|--------------|----------|
| At beginning of year                  |              |          |
| - As previously stated                | <b>1,262</b> | 15,799   |
| - Effect on full adoption of MFRS 139 | <b>(66)</b>  | (24)     |
| As restated                           | <b>1,196</b> | 15,775   |
| Allowance made during the period/year | <b>73</b>    | 1,405    |
| Reversal of allowance                 | <b>(20)</b>  | (1,534)  |
| Amount written off                    | <b>-</b>     | (14,450) |
| At end of period/year                 | <b>1,249</b> | 1,196    |

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**A14 Financial Assets Held-for-trading**

|  | <b>BANK</b>      |                  | <b>GROUP</b>     |                  |
|--|------------------|------------------|------------------|------------------|
|  | <b>30 June</b>   | <b>31 March</b>  | <b>30 June</b>   | <b>31 March</b>  |
|  | <b>2012</b>      | <b>2012</b>      | <b>2012</b>      | <b>2012</b>      |
| <b>At fair value</b>                           | <b>RM'000</b>    | <b>RM'000</b>    | <b>RM'000</b>    | <b>RM'000</b>    |
| <u>Money market instruments:</u>               |                  |                  |                  |                  |
| Bank Negara Malaysia bills                     | <b>1,270,110</b> | 1,222,003        | <b>1,400,076</b> | 1,371,696        |
| Malaysian Government securities                | <b>51,052</b>    | 20,053           | <b>51,052</b>    | 20,053           |
| Malaysian Government investment certificates   | <b>111,495</b>   | 100,246          | <b>111,495</b>   | 100,246          |
| <b>Total financial assets held-for-trading</b> | <b>1,432,657</b> | <b>1,342,302</b> | <b>1,562,623</b> | <b>1,491,995</b> |

**A15 Financial Investments Available-for-sale**

|   | <b>BANK</b>      |                  | <b>GROUP</b>     |                  |
|---|------------------|------------------|------------------|------------------|
|   | <b>30 June</b>   | <b>31 March</b>  | <b>30 June</b>   | <b>31 March</b>  |
|   | <b>2012</b>      | <b>2012</b>      | <b>2012</b>      | <b>2012</b>      |
| <b>At fair value</b>                                  | <b>RM'000</b>    | <b>RM'000</b>    | <b>RM'000</b>    | <b>RM'000</b>    |
| <u>Money market instruments:</u>                      |                  |                  |                  |                  |
| Malaysian Government securities                       | <b>1,801,000</b> | 1,894,220        | <b>2,258,048</b> | 2,316,772        |
| Malaysian Government investment certificates          | <b>1,223,261</b> | 1,132,121        | <b>1,925,331</b> | 1,833,967        |
| Negotiable instruments of deposits                    | <b>1,226,319</b> | 1,344,854        | <b>929,098</b>   | 884,535          |
| Bankers' acceptances                                  | <b>1,638,731</b> | 1,532,859        | <b>2,117,871</b> | 1,944,074        |
| Cagamas bonds   | <b>10,074</b>    | 20,137           | <b>20,148</b>    | 35,254           |
| <u>Quoted securities in Malaysia:</u>                 |                  |                  |                  |                  |
| Shares  | <b>9</b>         | 13               | <b>9</b>         | 4,212            |
| Debt securities                                       | <b>3,505</b>     | 4,768            | <b>3,505</b>     | 4,768            |
| <u>Unquoted securities:</u>                           |                  |                  |                  |                  |
| Shares  | <b>94,573</b>    | 94,895           | <b>132,493</b>   | 135,888          |
| Debt securities and medium term notes                 | <b>1,454,650</b> | 1,396,044        | <b>2,016,099</b> | 1,963,731        |
| <b>Total financial investments available-for-sale</b> | <b>7,452,122</b> | <b>7,419,911</b> | <b>9,402,602</b> | <b>9,123,201</b> |

**A16 Financial Investments Held-to-maturity**

|   | <b>BANK</b>     |                 | <b>GROUP</b>    |                 |
|---|-----------------|-----------------|-----------------|-----------------|
|   | <b>30 June</b>  | <b>31 March</b> | <b>30 June</b>  | <b>31 March</b> |
|   | <b>2012</b>     | <b>2012</b>     | <b>2012</b>     | <b>2012</b>     |
| <b>At amortised cost</b>                            | <b>RM'000</b>   | <b>RM'000</b>   | <b>RM'000</b>   | <b>RM'000</b>   |
| <u>Money market instruments:</u>                    |                 |                 |                 |                 |
| Malaysian Government securities                     | <b>178,025</b>  | 227,177         | <b>280,329</b>  | 328,639         |
| Malaysian Government investment certificates        | <b>-</b>        | -               | <b>435,504</b>  | 439,463         |
| <u>Unquoted securities:</u>                         |                 |                 |                 |                 |
| Debt securities                                     | <b>18,878</b>   | 18,858          | <b>74,392</b>   | 74,283          |
|   | <b>196,903</b>  | 246,035         | <b>790,225</b>  | 842,385         |
| Accumulated impairment                              | <b>(17,413)</b> | (17,413)        | <b>(47,129)</b> | (47,129)        |
| <b>Total financial investments held-to-maturity</b> | <b>179,490</b>  | <b>228,622</b>  | <b>743,096</b>  | <b>795,256</b>  |

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**A17 Loans, Advances and Financing**

|   | <b><u>BANK</u></b>      |   | <b><u>GROUP</u></b>     |   |
|---|-------------------------|---|-------------------------|---|
|   | <b>30 June<br/>2012</b> | <b>31 March<br/>2012<br/>(Restated)</b> | <b>30 June<br/>2012</b> | <b>31 March<br/>2012<br/>(Restated)</b> |
|   | <b>RM'000</b>           | <b>RM'000</b>                           | <b>RM'000</b>           | <b>RM'000</b>                           |
| Overdrafts  | <b>1,710,482</b>        | 1,689,325                               | <b>1,886,780</b>        | 1,854,599                               |
| Term loans/financing  |                         |   |                         |   |
| - Housing loans/financing   | <b>7,995,417</b>        | 7,769,654                               | <b>9,658,539</b>        | 9,269,933                               |
| - Syndicated term loans/financing   | <b>463,639</b>          | 464,662                                 | <b>472,929</b>          | 475,520                                 |
| - Hire purchase receivables   | <b>324,523</b>          | 310,514                                 | <b>638,593</b>          | 654,393                                 |
| - Other term loans/financing  | <b>6,264,741</b>        | 5,710,639                               | <b>8,183,800</b>        | 7,729,424                               |
| Bills receivables   | <b>272,014</b>          | 308,453                                 | <b>272,436</b>          | 308,770                                 |
| Trust receipts  | <b>188,556</b>          | 184,050                                 | <b>211,521</b>          | 207,515                                 |
| Claims on customers under acceptance credits  | <b>1,889,639</b>        | 1,947,273                               | <b>2,294,995</b>        | 2,337,986                               |
| Staff loans [including loans to Directors of a subsidiary of RM85,000 (31.03.12: RM92,000)] | <b>27,695</b>           | 28,602                                  | <b>53,860</b>           | 54,567                                  |
| Credit/charge card receivables  | <b>629,898</b>          | 623,563                                 | <b>629,898</b>          | 623,563                                 |
| Revolving credits   | <b>812,612</b>          | 844,824                                 | <b>1,004,298</b>        | 1,044,595                               |
| Other loans   | <b>425,215</b>          | 357,647                                 | <b>543,070</b>          | 451,282                                 |
| Gross loans, advances and financing   | <b>21,004,431</b>       | 20,239,206                              | <b>25,850,719</b>       | 25,012,147                              |
| Add: Sales commissions and handling fees  | <b>39,171</b>           | 38,007                                  | <b>26,443</b>           | 28,523                                  |
| Less: Allowance for impairment on loans, advances and financing                             |                         |   |                         |   |
| - Individual assessment allowance   | <b>(123,648)</b>        | (132,263)                               | <b>(147,220)</b>        | (156,614)                               |
| - Collective assessment allowance   | <b>(321,187)</b>        | (332,345)                               | <b>(382,465)</b>        | (395,224)                               |
| Total net loans, advances and financing   | <b>20,598,767</b>       | 19,812,605                              | <b>25,347,477</b>       | 24,488,832                              |

**A17a By type of customers:**

|  | <b><u>BANK</u></b>      |   | <b><u>GROUP</u></b>     |   |
|--|-------------------------|---|-------------------------|---|
|  | <b>30 June<br/>2012</b> | <b>31 March<br/>2012<br/>(Restated)</b> | <b>30 June<br/>2012</b> | <b>31 March<br/>2012<br/>(Restated)</b> |
|  | <b>RM'000</b>           | <b>RM'000</b>                           | <b>RM'000</b>           | <b>RM'000</b>                           |
| Domestic non-bank financial institutions |                         |   |                         |   |
| - Others                                 | <b>89,684</b>           | 136,428                                 | <b>160,369</b>          | 207,164                                 |
| Domestic business enterprises            |                         |   |                         |   |
| - Small and medium enterprises           | <b>4,794,664</b>        | 4,682,227                               | <b>5,590,368</b>        | 5,474,004                               |
| - Others                                 | <b>4,552,665</b>        | 4,209,083                               | <b>5,323,220</b>        | 4,975,449                               |
| Government and statutory bodies          | <b>11,820</b>           | 12,477                                  | <b>11,820</b>           | 12,618                                  |
| Individuals                              | <b>10,727,246</b>       | 10,393,832                              | <b>13,851,030</b>       | 13,469,972                              |
| Other domestic entities                  | <b>247,958</b>          | 247,403                                 | <b>248,214</b>          | 247,679                                 |
| Foreign entities                         | <b>580,394</b>          | 557,756                                 | <b>665,698</b>          | 625,261                                 |
| Gross loans, advances and financing      | <b>21,004,431</b>       | 20,239,206                              | <b>25,850,719</b>       | 25,012,147                              |

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**A17 Loans, Advances and Financing (contd.)**

**A17b** By interest/profit rate sensitivity:

|                                     | <b><u>BANK</u></b> |            | <b><u>GROUP</u></b> |            |
|-------------------------------------|--------------------|------------|---------------------|------------|
|                                     | <b>30 June</b>     | 31 March   | <b>30 June</b>      | 31 March   |
|                                     | <b>2012</b>        | 2012       | <b>2012</b>         | 2012       |
|                                     |                    | (Restated) |                     | (Restated) |
|                                     | <b>RM'000</b>      | RM'000     | <b>RM'000</b>       | RM'000     |
| Fixed rate                          |                    |            |                     |            |
| - Housing loans/financing           | <b>19,640</b>      | 20,472     | <b>88,981</b>       | 90,842     |
| - Hire purchase receivables         | <b>324,524</b>     | 310,515    | <b>638,630</b>      | 654,394    |
| - Other fixed rate loans/financing  | <b>734,839</b>     | 679,678    | <b>1,946,544</b>    | 1,997,715  |
| Variable rate                       |                    |            |                     |            |
| - Base lending rate plus            | <b>14,876,686</b>  | 14,453,299 | <b>17,402,570</b>   | 16,761,836 |
| - Cost plus                         | <b>4,806,495</b>   | 4,493,636  | <b>5,516,246</b>    | 5,203,667  |
| - Other variable rates              | <b>242,247</b>     | 281,606    | <b>257,748</b>      | 303,693    |
| Gross loans, advances and financing | <b>21,004,431</b>  | 20,239,206 | <b>25,850,719</b>   | 25,012,147 |

**A17c** By economic purposes:

|                                     | <b><u>BANK</u></b> |            | <b><u>GROUP</u></b> |            |
|-------------------------------------|--------------------|------------|---------------------|------------|
|                                     | <b>30 June</b>     | 31 March   | <b>30 June</b>      | 31 March   |
|                                     | <b>2012</b>        | 2012       | <b>2012</b>         | 2012       |
|                                     |                    | (Restated) |                     | (Restated) |
|                                     | <b>RM'000</b>      | RM'000     | <b>RM'000</b>       | RM'000     |
| Purchase of securities              | <b>479,718</b>     | 362,378    | <b>597,575</b>      | 456,014    |
| Purchase of transport vehicles      | <b>232,678</b>     | 212,087    | <b>552,955</b>      | 561,821    |
| Purchase of landed property         | <b>11,607,180</b>  | 11,195,180 | <b>13,686,561</b>   | 13,116,463 |
| of which: - Residential             | <b>8,576,920</b>   | 8,327,146  | <b>10,171,984</b>   | 9,761,038  |
| - Non-residential                   | <b>3,030,260</b>   | 2,868,034  | <b>3,514,577</b>    | 3,355,425  |
| Purchase of fixed assets            |                    |            |                     |            |
| excluding land & buildings          | <b>109,443</b>     | 115,605    | <b>110,664</b>      | 117,110    |
| Personal use                        | <b>877,867</b>     | 866,287    | <b>2,063,820</b>    | 2,147,220  |
| Credit card                         | <b>629,898</b>     | 623,563    | <b>629,898</b>      | 623,563    |
| Construction                        | <b>259,185</b>     | 236,719    | <b>272,799</b>      | 249,710    |
| Mergers and acquisition             | <b>207,257</b>     | 207,265    | <b>207,257</b>      | 207,265    |
| Working capital                     | <b>5,366,880</b>   | 5,508,272  | <b>6,208,100</b>    | 6,338,755  |
| Others                              | <b>1,234,325</b>   | 911,850    | <b>1,521,090</b>    | 1,194,226  |
| Gross loans, advances and financing | <b>21,004,431</b>  | 20,239,206 | <b>25,850,719</b>   | 25,012,147 |

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**A17 Loans, Advances and Financing (contd.)**

**A17d** By geographical distribution:

|                                     | <b>BANK</b>       |                 | <b>GROUP</b>      |                 |
|-------------------------------------|-------------------|-----------------|-------------------|-----------------|
|                                     | <b>30 June</b>    | <b>31 March</b> | <b>30 June</b>    | <b>31 March</b> |
|                                     | <b>2012</b>       | <b>2012</b>     | <b>2012</b>       | <b>2012</b>     |
|                                     |                   | (Restated)      |                   | (Restated)      |
|                                     | <b>RM'000</b>     | <b>RM'000</b>   | <b>RM'000</b>     | <b>RM'000</b>   |
| Northern region                     | <b>1,618,826</b>  | 1,646,984       | <b>1,896,937</b>  | 1,915,373       |
| Central region                      | <b>15,831,384</b> | 15,062,479      | <b>19,654,449</b> | 18,846,423      |
| Southern region                     | <b>1,731,605</b>  | 1,694,344       | <b>2,157,807</b>  | 2,102,419       |
| East Malaysia region                | <b>1,822,616</b>  | 1,835,399       | <b>2,141,526</b>  | 2,147,932       |
| Gross loans, advances and financing | <b>21,004,431</b> | 20,239,206      | <b>25,850,719</b> | 25,012,147      |

**A17e** By residual contractual maturity:

|                                     | <b>BANK</b>       |                 | <b>GROUP</b>      |                 |
|-------------------------------------|-------------------|-----------------|-------------------|-----------------|
|                                     | <b>30 June</b>    | <b>31 March</b> | <b>30 June</b>    | <b>31 March</b> |
|                                     | <b>2012</b>       | <b>2012</b>     | <b>2012</b>       | <b>2012</b>     |
|                                     |                   | (Restated)      |                   | (Restated)      |
|                                     | <b>RM'000</b>     | <b>RM'000</b>   | <b>RM'000</b>     | <b>RM'000</b>   |
| Within one year                     | <b>6,069,035</b>  | 6,085,546       | <b>7,061,705</b>  | 7,038,788       |
| One year to three years             | <b>639,995</b>    | 549,249         | <b>890,949</b>    | 823,437         |
| Three years to five years           | <b>802,111</b>    | 726,074         | <b>1,297,730</b>  | 1,253,739       |
| Over five years                     | <b>13,493,290</b> | 12,878,337      | <b>16,600,335</b> | 15,896,183      |
| Gross loans, advances and financing | <b>21,004,431</b> | 20,239,206      | <b>25,850,719</b> | 25,012,147      |

**A17f** Movements in impaired loans, advances and financing ("impaired loans")

|   | <b>BANK</b>     |                 | <b>GROUP</b>    |                 |
|---|-----------------|-----------------|-----------------|-----------------|
|   | <b>30 June</b>  | <b>31 March</b> | <b>30 June</b>  | <b>31 March</b> |
|   | <b>2012</b>     | <b>2012</b>     | <b>2012</b>     | <b>2012</b>     |
|   |                 | (Restated)      |                 | (Restated)      |
|   | <b>RM'000</b>   | <b>RM'000</b>   | <b>RM'000</b>   | <b>RM'000</b>   |
| At beginning of year  |                 |                 |                 |                 |
| - As previously stated  | <b>511,985</b>  | 592,458         | <b>601,135</b>  | 741,324         |
| - Effect on full adoption of MFRS 139                                       | <b>23,927</b>   | 30,608          | <b>28,101</b>   | 34,157          |
| As restated   | <b>535,912</b>  | 623,066         | <b>629,236</b>  | 775,481         |
| Impaired during the period/year   | <b>86,956</b>   | 338,213         | <b>119,697</b>  | 435,383         |
| Reclassified as non-impaired during the period/year                         | <b>(70,392)</b> | (268,690)       | <b>(84,250)</b> | (361,159)       |
| Recoveries  | <b>(22,716)</b> | (75,220)        | <b>(34,480)</b> | (106,986)       |
| Amount written-off  | <b>(12,532)</b> | (81,457)        | <b>(18,286)</b> | (113,483)       |
| At end of period/year   | <b>517,228</b>  | 535,912         | <b>611,917</b>  | 629,236         |
| Gross impaired loans as a percentage of gross loans, advances and financing | <b>2.5%</b>     | 2.6%            | <b>2.4%</b>     | 2.5%            |



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**A17 Loans, Advances and Financing (contd.)**

**A17g** Impaired loans by economic purposes:

|  | <b><u>BANK</u></b> |            | <b><u>GROUP</u></b> |            |
|--|--------------------|------------|---------------------|------------|
|  | <b>30 June</b>     | 31 March   | <b>30 June</b>      | 31 March   |
|  | <b>2012</b>        | 2012       | <b>2012</b>         | 2012       |
|  |                    | (Restated) |                     | (Restated) |
|  | <b>RM'000</b>      | RM'000     | <b>RM'000</b>       | RM'000     |
| Purchase of securities                                 | <b>4,430</b>       | 4,085      | <b>5,781</b>        | 5,436      |
| Purchase of transport vehicles                         | <b>2,481</b>       | 2,733      | <b>5,496</b>        | 5,710      |
| Purchase of landed property                            | <b>232,344</b>     | 235,940    | <b>263,786</b>      | 266,682    |
| of which: - Residential                                | <b>176,380</b>     | 173,008    | <b>195,449</b>      | 191,394    |
| - Non-residential                                      | <b>55,964</b>      | 62,932     | <b>68,337</b>       | 75,288     |
| Purchase of fixed assets<br>excluding land & buildings | <b>198</b>         | 190        | <b>198</b>          | 190        |
| Personal use   | <b>19,942</b>      | 20,156     | <b>32,456</b>       | 31,130     |
| Credit card  | <b>10,876</b>      | 9,908      | <b>10,876</b>       | 9,908      |
| Construction   | <b>12,082</b>      | 11,869     | <b>12,133</b>       | 11,870     |
| Working capital  | <b>198,455</b>     | 214,981    | <b>240,795</b>      | 256,919    |
| Others   | <b>36,420</b>      | 36,050     | <b>40,396</b>       | 41,391     |
| Gross impaired loans                                   | <b>517,228</b>     | 535,912    | <b>611,917</b>      | 629,236    |

**A17h** Impaired loans by geographical distribution:

|                      | <b><u>BANK</u></b> |            | <b><u>GROUP</u></b> |            |
|----------------------|--------------------|------------|---------------------|------------|
|                      | <b>30 June</b>     | 31 March   | <b>30 June</b>      | 31 March   |
|                      | <b>2012</b>        | 2012       | <b>2012</b>         | 2012       |
|                      |                    | (Restated) |                     | (Restated) |
|                      | <b>RM'000</b>      | RM'000     | <b>RM'000</b>       | RM'000     |
| Northern region      | <b>96,130</b>      | 113,654    | <b>122,062</b>      | 139,406    |
| Central region       | <b>318,732</b>     | 316,587    | <b>381,126</b>      | 378,774    |
| Southern region      | <b>44,885</b>      | 48,921     | <b>50,401</b>       | 53,056     |
| East Malaysia region | <b>57,481</b>      | 56,750     | <b>58,328</b>       | 58,000     |
| Gross impaired loans | <b>517,228</b>     | 535,912    | <b>611,917</b>      | 629,236    |

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**A17 Loans, Advances and Financing (contd.)**

**A17i** Movements in the allowance for impairment on loans, advances and financing are as follows:

|  | <b><u>BANK</u></b>      |   | <b><u>GROUP</u></b>     |   |
|--|-------------------------|---|-------------------------|---|
|  | <b>30 June<br/>2012</b> | <b>31 March<br/>2012<br/>(Restated)</b> | <b>30 June<br/>2012</b> | <b>31 March<br/>2012<br/>(Restated)</b> |
|  | <b>RM'000</b>           | <b>RM'000</b>                           | <b>RM'000</b>           | <b>RM'000</b>                           |
| <b>Individual assessment allowance</b>                   |                         |   |                         |   |
| At beginning of year                                     |                         |   |                         |   |
| - As previously stated                                   | <b>225,092</b>          | 273,141                                 | <b>266,349</b>          | 328,375                                 |
| - Transfers to collective assessment allowance           | <b>(92,829)</b>         | (132,557)                               | <b>(109,735)</b>        | (154,620)                               |
| As restated  | <b>132,263</b>          | 140,584                                 | <b>156,614</b>          | 173,755                                 |
| (Write-back)/allowance made during the period/year (net) | <b>(2,060)</b>          | 11,734                                  | <b>(3,624)</b>          | 3,108                                   |
| Amount written-off                                       | <b>(7,170)</b>          | (20,055)                                | <b>(7,170)</b>          | (20,249)                                |
| Transfers from collective assessment allowance           | <b>615</b>              | -                                       | <b>1,400</b>            | -                                       |
| At end of period/year                                    | <b>123,648</b>          | 132,263                                 | <b>147,220</b>          | 156,614                                 |

|  | <b><u>BANK</u></b>      |   | <b><u>GROUP</u></b>     |   |
|--|-------------------------|---|-------------------------|---|
|  | <b>30 June<br/>2012</b> | <b>31 March<br/>2012<br/>(Restated)</b> | <b>30 June<br/>2012</b> | <b>31 March<br/>2012<br/>(Restated)</b> |
|  | <b>RM'000</b>           | <b>RM'000</b>                           | <b>RM'000</b>           | <b>RM'000</b>                           |
| <b>Collective assessment allowance</b>                   |                         |   |                         |   |
| At beginning of year                                     |                         |   |                         |   |
| - As previously stated                                   | <b>300,801</b>          | 270,378                                 | <b>386,017</b>          | 339,636                                 |
| - Effect on full adoption of MFRS 139                    | <b>(61,285)</b>         | (45,304)                                | <b>(100,528)</b>        | (63,474)                                |
| - Transfers from individual assessment allowance         | <b>92,829</b>           | 132,557                                 | <b>109,735</b>          | 154,620                                 |
| As restated  | <b>332,345</b>          | 357,631                                 | <b>395,224</b>          | 430,782                                 |
| (Write-back)/allowance made during the period/year (net) | <b>(5,177)</b>          | 29,027                                  | <b>(239)</b>            | 49,582                                  |
| Amount written-off                                       | <b>(5,366)</b>          | (54,313)                                | <b>(11,120)</b>         | (85,140)                                |
| Transfers to individual assessment allowance             | <b>(615)</b>            | -                                       | <b>(1,400)</b>          | -                                       |
| At end of period/year                                    | <b>321,187</b>          | 332,345                                 | <b>382,465</b>          | 395,224                                 |

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**A18 Other Assets**

|  | <b><u>BANK</u></b> |          | <b><u>GROUP</u></b> |          |
|--|--------------------|----------|---------------------|----------|
|  | <b>30 June</b>     | 31 March | <b>30 June</b>      | 31 March |
|  | <b>2012</b>        | 2012     | <b>2012</b>         | 2012     |
|  | <b>RM'000</b>      | RM'000   | <b>RM'000</b>       | RM'000   |
| Other receivables, deposits and prepayment | <b>81,533</b>      | 89,703   | <b>93,687</b>       | 95,756   |
| Trade receivables                          | -                  | -        | <b>1</b>            | 2,475    |
| Amount due from subsidiaries               | <b>96,920</b>      | 2,891    | -                   | -        |
| Amount due from holding company            | <b>945</b>         | 358      | <b>945</b>          | 358      |
|  | <b>179,398</b>     | 92,952   | <b>94,633</b>       | 98,589   |
| Less:                                      |                    |          |                     |          |
| Allowance for other losses                 | <b>(14,320)</b>    | (13,051) | <b>(22,023)</b>     | (20,790) |
|  | <b>165,078</b>     | 79,901   | <b>72,610</b>       | 77,799   |

**A19 Deposits from Customers**

|                                    | <b><u>BANK</u></b> |            | <b><u>GROUP</u></b> |            |
|------------------------------------|--------------------|------------|---------------------|------------|
|                                    | <b>30 June</b>     | 31 March   | <b>30 June</b>      | 31 March   |
|                                    | <b>2012</b>        | 2012       | <b>2012</b>         | 2012       |
|                                    | <b>RM'000</b>      | RM'000     | <b>RM'000</b>       | RM'000     |
| <b>A19a By type of deposits:</b>   |                    |            |                     |            |
| Demand deposits                    | <b>8,002,586</b>   | 7,581,985  | <b>9,548,040</b>    | 9,141,235  |
| Savings deposits                   | <b>1,382,297</b>   | 1,378,296  | <b>1,707,046</b>    | 1,700,686  |
| Fixed/investment deposits          | <b>13,278,572</b>  | 13,773,745 | <b>15,285,165</b>   | 15,617,675 |
| Money market deposits              | <b>2,896,436</b>   | 2,922,394  | <b>4,390,344</b>    | 4,091,751  |
| Negotiable instruments of deposits | <b>350,658</b>     | 1,107,512  | <b>440,457</b>      | 1,407,325  |
| Structured deposits [Note]         | <b>228,251</b>     | 194,971    | <b>228,251</b>      | 194,971    |
|                                    | <b>26,138,800</b>  | 26,958,903 | <b>31,599,303</b>   | 32,153,643 |

Note

- (a) Structured deposits represent foreign currency time deposits with embedded foreign exchange, gold commodity linked options and interest rate index linked placements.
- (b) The Bank and the Group has undertaken a fair value hedge on the interest rate risk of the structured deposits amounting to RM69,704,000 (31.03.12: RM14,115,000) using interest rate swaps.

|   | <b><u>BANK</u></b> |          | <b><u>GROUP</u></b> |          |
|---|--------------------|----------|---------------------|----------|
|   | <b>30 June</b>     | 31 March | <b>30 June</b>      | 31 March |
|   | <b>2012</b>        | 2012     | <b>2012</b>         | 2012     |
|   | <b>RM'000</b>      | RM'000   | <b>RM'000</b>       | RM'000   |
| Structured deposits                               | <b>69,704</b>      | 14,115   | <b>69,704</b>       | 14,115   |
| Fair value changes arising from fair value hedges | <b>(1,040)</b>     | (423)    | <b>(1,040)</b>      | (423)    |
|   | <b>68,664</b>      | 13,692   | <b>68,664</b>       | 13,692   |

The fair value loss of the interest rate swap in this hedge transaction as at financial period ended 30 June 2012 is RM1,040,000 (31.03.12: RM423,000).

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**A19 Deposits from Customers (contd.)**

**A19b** By type of customers:

|                                 | <b><u>BANK</u></b> |            | <b><u>GROUP</u></b> |            |
|---------------------------------|--------------------|------------|---------------------|------------|
|                                 | <b>30 June</b>     | 31 March   | <b>30 June</b>      | 31 March   |
|                                 | <b>2012</b>        | 2012       | <b>2012</b>         | 2012       |
|                                 | <b>RM'000</b>      | RM'000     | <b>RM'000</b>       | RM'000     |
| Domestic financial institutions | <b>379,240</b>     | 1,111,825  | <b>469,039</b>      | 1,411,638  |
| Government and statutory bodies | <b>997,126</b>     | 951,889    | <b>1,245,370</b>    | 1,396,323  |
| Business enterprises            | <b>9,337,024</b>   | 9,349,112  | <b>11,952,706</b>   | 11,868,424 |
| Individuals                     | <b>14,660,031</b>  | 14,240,778 | <b>16,056,751</b>   | 15,707,697 |
| Others                          | <b>765,379</b>     | 1,305,299  | <b>1,875,437</b>    | 1,769,561  |
|                                 | <b>26,138,800</b>  | 26,958,903 | <b>31,599,303</b>   | 32,153,643 |

**A19c** The maturity structure of fixed deposits, money market deposits and negotiable instruments of deposit are as follows:

|                           | <b><u>BANK</u></b> |            | <b><u>GROUP</u></b> |            |
|---------------------------|--------------------|------------|---------------------|------------|
|                           | <b>30 June</b>     | 31 March   | <b>30 June</b>      | 31 March   |
|                           | <b>2012</b>        | 2012       | <b>2012</b>         | 2012       |
|                           | <b>RM'000</b>      | RM'000     | <b>RM'000</b>       | RM'000     |
| Due within six months     | <b>12,959,836</b>  | 13,985,773 | <b>15,829,627</b>   | 16,489,925 |
| Six months to one year    | <b>3,476,504</b>   | 3,726,121  | <b>4,192,850</b>    | 4,532,514  |
| One year to three years   | <b>69,415</b>      | 71,826     | <b>70,046</b>       | 72,776     |
| Three years to five years | <b>19,911</b>      | 19,931     | <b>23,443</b>       | 21,536     |
|                           | <b>16,525,666</b>  | 17,803,651 | <b>20,115,966</b>   | 21,116,751 |

**A20 Deposits and Placements of Banks and Other Financial Institutions**

|                           | <b><u>BANK</u></b> |           | <b><u>GROUP</u></b> |           |
|---------------------------|--------------------|-----------|---------------------|-----------|
|                           | <b>30 June</b>     | 31 March  | <b>30 June</b>      | 31 March  |
|                           | <b>2012</b>        | 2012      | <b>2012</b>         | 2012      |
|                           | <b>RM'000</b>      | RM'000    | <b>RM'000</b>       | RM'000    |
| Licensed banks            | <b>1,393,762</b>   | 495,393   | <b>1,843,918</b>    | 976,450   |
| Licensed Investment banks | <b>50,813</b>      | -         | <b>70,834</b>       | 180,036   |
| Licensed Islamic banks    | <b>-</b>           | -         | <b>330,721</b>      | 245,468   |
| Bank Negara Malaysia      | <b>660,172</b>     | 691,337   | <b>731,631</b>      | 759,051   |
|                           | <b>2,104,747</b>   | 1,186,730 | <b>2,977,104</b>    | 2,161,005 |

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**A21 Balances Due To Clients And Brokers**

|                | <b>GROUP</b>   |                 |
|----------------|----------------|-----------------|
|                | <b>30 June</b> | <b>31 March</b> |
|                | <b>2012</b>    | <b>2012</b>     |
|                | <b>RM'000</b>  | <b>RM'000</b>   |
| Due to clients | <b>79,831</b>  | 74,915          |
| Due to brokers | <b>2,262</b>   | -               |
|                | <b>82,093</b>  | <b>74,915</b>   |

These mainly relate to amounts payable to non-margin clients and outstanding contracts entered into on behalf of clients where settlement via the Bursa Malaysia Securities Clearing Sdn. Bhd. has yet to be made.

The Group's normal trade credit terms for non-margin clients is three (3) market days according to the Bursa's FDSS trading rules.

**A22 Other Liabilities**

|                               | <b>BANK</b>    |                 | <b>GROUP</b>   |                 |
|-------------------------------|----------------|-----------------|----------------|-----------------|
|                               | <b>30 June</b> | <b>31 March</b> | <b>30 June</b> | <b>31 March</b> |
|                               | <b>2012</b>    | <b>2012</b>     | <b>2012</b>    | <b>2012</b>     |
|                               | <b>RM'000</b>  | <b>RM'000</b>   | <b>RM'000</b>  | <b>RM'000</b>   |
| Other payable and accruals    | <b>677,800</b> | 704,243         | <b>755,910</b> | 845,558         |
| Remisier's accounts           | -              | -               | <b>20,095</b>  | 21,230          |
| Amount due to holding company | -              | 16,576          | -              | -               |
|                               | <b>677,800</b> | <b>720,819</b>  | <b>776,005</b> | <b>866,788</b>  |

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**A23 Interest Income**

|   | <b>1st Quarter Ended</b> |            | <b>Three Months Ended</b> |            |
|---|--------------------------|------------|---------------------------|------------|
|   | <b>30 June</b>           | 30 June    | <b>30 June</b>            | 30 June    |
|   | <b>2012</b>              | 2011       | <b>2012</b>               | 2011       |
|   |                          | (Restated) |                           | (Restated) |
|   | <b>RM'000</b>            | RM'000     | <b>RM'000</b>             | RM'000     |
| <b><u>BANK</u></b>  |                          |            |                           |            |
| Loans, advances and financing                                       | <b>234,521</b>           | 204,061    | <b>234,521</b>            | 204,061    |
| Money at call and deposit placements<br>with financial institutions | <b>4,529</b>             | 14,137     | <b>4,529</b>              | 14,137     |
| Financial assets held-for-trading                                   | <b>1,280</b>             | 766        | <b>1,280</b>              | 766        |
| Financial investments available-for-sale                            | <b>54,609</b>            | 56,385     | <b>54,609</b>             | 56,385     |
| Financial investments held-to-maturity                              | <b>2,018</b>             | 6,236      | <b>2,018</b>              | 6,236      |
| Others  | <b>375</b>               | 1,082      | <b>375</b>                | 1,082      |
|   | <b>297,332</b>           | 282,667    | <b>297,332</b>            | 282,667    |
| Accretion of discount less<br>amortisation of premium               | <b>34,636</b>            | 22,313     | <b>34,636</b>             | 22,313     |
|   | <b>331,968</b>           | 304,980    | <b>331,968</b>            | 304,980    |
| <b><u>GROUP</u></b>   |                          |            |                           |            |
| Loans, advances and financing                                       | <b>243,723</b>           | 218,174    | <b>243,723</b>            | 218,174    |
| Money at call and deposit placements<br>with financial institutions | <b>4,351</b>             | 3,467      | <b>4,351</b>              | 3,467      |
| Financial assets held-for-trading                                   | <b>1,280</b>             | 830        | <b>1,280</b>              | 830        |
| Financial investments available-for-sale                            | <b>59,488</b>            | 70,451     | <b>59,488</b>             | 70,451     |
| Financial investments held-to-maturity                              | <b>2,933</b>             | 8,171      | <b>2,933</b>              | 8,171      |
| Others  | <b>375</b>               | 1,082      | <b>375</b>                | 1,082      |
|   | <b>312,150</b>           | 302,175    | <b>312,150</b>            | 302,175    |
| Accretion of discount less<br>amortisation of premium               | <b>36,440</b>            | 24,000     | <b>36,440</b>             | 24,000     |
|   | <b>348,590</b>           | 326,175    | <b>348,590</b>            | 326,175    |

Included in interest income on loans, advances and financing is interest income accrued on impaired loans of the Bank and the Group of RM nil and RM230,000 (30.06.11: RM nil and RM nil) respectively.

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**A24 Interest Expense**

|   | <b>1st Quarter Ended</b> |                | <b>Three Months Ended</b> |                |
|---|--------------------------|----------------|---------------------------|----------------|
|   | <b>30 June</b>           | <b>30 June</b> | <b>30 June</b>            | <b>30 June</b> |
|   | <b>2012</b>              | <b>2011</b>    | <b>2012</b>               | <b>2011</b>    |
|   | <b>RM'000</b>            | <b>RM'000</b>  | <b>RM'000</b>             | <b>RM'000</b>  |
| <b><u>BANK</u></b>  |                          |                |                           |                |
| Deposits and placements of banks and other financial institutions | <b>8,870</b>             | 9,543          | <b>8,870</b>              | 9,543          |
| Deposits from customers   | <b>147,634</b>           | 126,428        | <b>147,634</b>            | 126,428        |
| Loans sold to Cagamas Berhad                                      | -                        | 885            | -                         | 885            |
| Subordinated obligations  | <b>7,296</b>             | 12,326         | <b>7,296</b>              | 12,326         |
| Others  | <b>952</b>               | 1,353          | <b>952</b>                | 1,353          |
|   | <b>164,752</b>           | 150,535        | <b>164,752</b>            | 150,535        |
| <b><u>GROUP</u></b>   |                          |                |                           |                |
| Deposits and placements of banks and other financial institutions | <b>13,072</b>            | 12,167         | <b>13,072</b>             | 12,167         |
| Deposits from customers   | <b>153,435</b>           | 132,452        | <b>153,435</b>            | 132,452        |
| Loans sold to Cagamas Berhad                                      | -                        | 885            | -                         | 885            |
| Subordinated obligations  | <b>7,296</b>             | 12,326         | <b>7,296</b>              | 12,326         |
| Others  | <b>983</b>               | 1,383          | <b>983</b>                | 1,383          |
|   | <b>174,786</b>           | 159,213        | <b>174,786</b>            | 159,213        |

**A25 Net Income from Islamic Banking Business**

|  | <b>1st Quarter Ended</b> |                | <b>Three Months Ended</b> |                |
|--|--------------------------|----------------|---------------------------|----------------|
|  | <b>30 June</b>           | <b>30 June</b> | <b>30 June</b>            | <b>30 June</b> |
|  | <b>2012</b>              | <b>2011</b>    | <b>2012</b>               | <b>2011</b>    |
|  | <b>RM'000</b>            | <b>RM'000</b>  | <b>RM'000</b>             | <b>RM'000</b>  |
| <b><u>GROUP</u></b>  |                          |                |                           |                |
| Income derived from investment of depositors' funds and others | <b>83,292</b>            | 82,399         | <b>83,292</b>             | 82,399         |
| Income derived from investment of Islamic Banking funds        | <b>8,794</b>             | 7,579          | <b>8,794</b>              | 7,579          |
| Income attributable to depositors and financial institutions   | <b>(36,456)</b>          | (34,720)       | <b>(36,456)</b>           | (34,720)       |
|  | <b>55,630</b>            | 55,258         | <b>55,630</b>             | 55,258         |
| Add: Income due to head office eliminated at Group level       | <b>7,460</b>             | 6,619          | <b>7,460</b>              | 6,619          |
|  | <b>63,090</b>            | 61,877         | <b>63,090</b>             | 61,877         |

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**A26 Other Operating Income**

|   | 1st Quarter Ended         |                           | Three Months Ended        |                           |
|---|---------------------------|---------------------------|---------------------------|---------------------------|
|   | 30 June<br>2012<br>RM'000 | 30 June<br>2011<br>RM'000 | 30 June<br>2012<br>RM'000 | 30 June<br>2011<br>RM'000 |
| <b><u>BANK</u></b>  |                           |                           |                           |                           |
| (a) <u>Fee income:</u>                                    |                           |                           |                           |                           |
| Commissions   | 17,889                    | 13,208                    | 17,889                    | 13,208                    |
| Service charges and fees                                  | 8,874                     | 7,581                     | 8,874                     | 7,581                     |
| Guarantee fees  | 2,078                     | 1,991                     | 2,078                     | 1,991                     |
| Processing fees   | 657                       | 3,039                     | 657                       | 3,039                     |
| Commitment fees   | 3,633                     | 3,418                     | 3,633                     | 3,418                     |
| Other fee income  | 2,263                     | 4,100                     | 2,263                     | 4,100                     |
|   | <b>35,394</b>             | <b>33,337</b>             | <b>35,394</b>             | <b>33,337</b>             |
| (b) <u>Investment income:</u>                             |                           |                           |                           |                           |
| Gain arising from sale/redemption of:                     |                           |                           |                           |                           |
| - Financial assets held-for-trading                       | 698                       | 736                       | 698                       | 736                       |
| - Financial investments available-for-sale                | 12,933                    | 2,529                     | 12,933                    | 2,529                     |
| - Financial investments held-to-maturity                  | 20                        | 11,994                    | 20                        | 11,994                    |
| Unrealised gain/(loss) on revaluation of:                 |                           |                           |                           |                           |
| - Financial assets held-for-trading                       | 145                       | (329)                     | 145                       | (329)                     |
| - Derivative instruments                                  | 13,895                    | (1,165)                   | 13,895                    | (1,165)                   |
| Realised gain on revaluation<br>of derivative instruments | 7,433                     | 11,392                    | 7,433                     | 11,392                    |
| Gross dividend income from:                               |                           |                           |                           |                           |
| - Financial investments available-for-sale                | 2,336                     | 3,349                     | 2,336                     | 3,349                     |
|   | <b>37,460</b>             | <b>28,506</b>             | <b>37,460</b>             | <b>28,506</b>             |
| (c) <u>Other income :</u>                                 |                           |                           |                           |                           |
| Unrealised foreign exchange translation<br>(loss)/gain    | (6,867)                   | 2,792                     | (6,867)                   | 2,792                     |
| Rental income   | 83                        | 82                        | 83                        | 82                        |
| Gain on disposal of property,<br>plant and equipment      | 1,654                     | 80                        | 1,654                     | 80                        |
| Others  | 5,128                     | 5,706                     | 5,128                     | 5,706                     |
|   | <b>(2)</b>                | <b>8,660</b>              | <b>(2)</b>                | <b>8,660</b>              |
| Total other operating income                              | <b>72,852</b>             | <b>70,503</b>             | <b>72,852</b>             | <b>70,503</b>             |



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**A26 Other Operating Income (contd.)**

| <b>GROUP</b>   | <b>1st Quarter Ended</b>           |                                    | <b>Three Months Ended</b>          |                                    |
|--|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
|  | <b>30 June<br/>2012<br/>RM'000</b> | <b>30 June<br/>2011<br/>RM'000</b> | <b>30 June<br/>2012<br/>RM'000</b> | <b>30 June<br/>2011<br/>RM'000</b> |
| (a) <u>Fee income:</u>                                 |                                    |                                    |                                    |                                    |
| Commissions  | <b>17,828</b>                      | 12,984                             | <b>17,828</b>                      | 12,984                             |
| Service charges and fees                               | <b>9,284</b>                       | 8,008                              | <b>9,284</b>                       | 8,008                              |
| Portfolio management fees                              | <b>1,778</b>                       | 1,801                              | <b>1,778</b>                       | 1,801                              |
| Corporate advisory fees                                | <b>1,893</b>                       | 2,107                              | <b>1,893</b>                       | 2,107                              |
| Brokerage fees   | <b>2,683</b>                       | 3,482                              | <b>2,683</b>                       | 3,482                              |
| Guarantee fees   | <b>2,078</b>                       | 2,254                              | <b>2,078</b>                       | 2,254                              |
| Processing fees  | <b>846</b>                         | 3,293                              | <b>846</b>                         | 3,293                              |
| Commitment fees  | <b>3,633</b>                       | 3,418                              | <b>3,633</b>                       | 3,418                              |
| Underwriting commissions                               | <b>18</b>                          | -                                  | <b>18</b>                          | -                                  |
| Other fee income                                       | <b>2,264</b>                       | 4,370                              | <b>2,264</b>                       | 4,370                              |
|  | <b>42,305</b>                      | 41,717                             | <b>42,305</b>                      | 41,717                             |
| (b) <u>Investment income:</u>                          |                                    |                                    |                                    |                                    |
| Gain arising from sale/redemption of:                  |                                    |                                    |                                    |                                    |
| - Financial assets held-for-trading                    | <b>698</b>                         | 866                                | <b>698</b>                         | 866                                |
| - Financial investments available-for-sale             | <b>15,187</b>                      | 2,391                              | <b>15,187</b>                      | 2,391                              |
| - Financial investments held-to-maturity               | <b>20</b>                          | 11,994                             | <b>20</b>                          | 11,994                             |
| Unrealised gain/(loss) on revaluation of:              |                                    |                                    |                                    |                                    |
| - Financial assets held-for-trading                    | <b>145</b>                         | (365)                              | <b>145</b>                         | (365)                              |
| - Derivative instruments                               | <b>13,895</b>                      | (1,165)                            | <b>13,895</b>                      | (1,165)                            |
| Realised gain on revaluation of derivative instruments | <b>7,433</b>                       | 11,392                             | <b>7,433</b>                       | 11,392                             |
| Gross dividend income from:                            |                                    |                                    |                                    |                                    |
| - Financial investments available-for-sale             | <b>2,622</b>                       | 3,619                              | <b>2,622</b>                       | 3,619                              |
|  | <b>40,000</b>                      | 28,732                             | <b>40,000</b>                      | 28,732                             |
| (c) <u>Other income :</u>                              |                                    |                                    |                                    |                                    |
| Unrealised foreign exchange translation (loss)/gain    | <b>(6,796)</b>                     | 2,838                              | <b>(6,796)</b>                     | 2,838                              |
| Gain on disposal of property, plant and equipment      | <b>1,578</b>                       | 82                                 | <b>1,578</b>                       | 82                                 |
| Others   | <b>5,283</b>                       | 5,836                              | <b>5,283</b>                       | 5,836                              |
|  | <b>65</b>                          | 8,756                              | <b>65</b>                          | 8,756                              |
| Total other operating income                           | <b>82,370</b>                      | 79,205                             | <b>82,370</b>                      | 79,205                             |

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**A27 Other Operating Expenses**

|   | <b>1st Quarter Ended</b> |                | <b>Three Months Ended</b> |                |
|---|--------------------------|----------------|---------------------------|----------------|
|   | <b>30 June</b>           | <b>30 June</b> | <b>30 June</b>            | <b>30 June</b> |
|   | <b>2012</b>              | <b>2011</b>    | <b>2012</b>               | <b>2011</b>    |
|   | <b>RM'000</b>            | <b>RM'000</b>  | <b>RM'000</b>             | <b>RM'000</b>  |
| <b><u>BANK</u></b>                              |                          |                |                           |                |
| Personnel costs                                 |                          |                |                           |                |
| - Salaries, allowances and bonuses              | <b>62,659</b>            | 53,187         | <b>62,659</b>             | 53,187         |
| - Contribution to EPF                           | <b>9,949</b>             | 8,521          | <b>9,949</b>              | 8,521          |
| - Share options/grants under ESS                | <b>1,973</b>             | 1,294          | <b>1,973</b>              | 1,294          |
| - Others  | <b>5,295</b>             | 3,398          | <b>5,295</b>              | 3,398          |
|   | <b>79,876</b>            | 66,400         | <b>79,876</b>             | 66,400         |
| Establishment costs                             |                          |                |                           |                |
| - Depreciation of property, plant and equipment | <b>7,209</b>             | 6,687          | <b>7,209</b>              | 6,687          |
| - Amortisation of computer software             | <b>4,898</b>             | 3,973          | <b>4,898</b>              | 3,973          |
| - Rental of premises                            | <b>5,161</b>             | 4,532          | <b>5,161</b>              | 4,532          |
| - Water and electricity                         | <b>1,235</b>             | 1,610          | <b>1,235</b>              | 1,610          |
| - Repairs and maintenance                       | <b>1,610</b>             | 1,179          | <b>1,610</b>              | 1,179          |
| - Information technology expenses               | <b>7,811</b>             | 5,678          | <b>7,811</b>              | 5,678          |
| - Others  | <b>(653)</b>             | 3,196          | <b>(653)</b>              | 3,196          |
|   | <b>27,271</b>            | 26,855         | <b>27,271</b>             | 26,855         |
| Marketing expenses                              |                          |                |                           |                |
| - Promotion and advertisement                   | <b>2,344</b>             | 1,368          | <b>2,344</b>              | 1,368          |
| - Branding and publicity                        | <b>826</b>               | 877            | <b>826</b>                | 877            |
| - Others  | <b>1,039</b>             | 798            | <b>1,039</b>              | 798            |
|   | <b>4,209</b>             | 3,043          | <b>4,209</b>              | 3,043          |
| Administration and general expenses             |                          |                |                           |                |
| - Communication expenses                        | <b>2,588</b>             | 2,766          | <b>2,588</b>              | 2,766          |
| - Printing and stationery                       | <b>682</b>               | 115            | <b>682</b>                | 115            |
| - Insurance                                     | <b>1,753</b>             | 593            | <b>1,753</b>              | 593            |
| - Professional fees                             | <b>1,996</b>             | 2,098          | <b>1,996</b>              | 2,098          |
| - Others  | <b>2,899</b>             | 817            | <b>2,899</b>              | 817            |
|   | <b>9,918</b>             | 6,389          | <b>9,918</b>              | 6,389          |
| Total other operating expenses                  | <b>121,274</b>           | 102,687        | <b>121,274</b>            | 102,687        |

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**A27 Other Operating Expenses (contd.)**

|   | <b>1st Quarter Ended</b> |                | <b>Three Months Ended</b> |                |
|---|--------------------------|----------------|---------------------------|----------------|
|   | <b>30 June</b>           | <b>30 June</b> | <b>30 June</b>            | <b>30 June</b> |
|   | <b>2012</b>              | <b>2011</b>    | <b>2012</b>               | <b>2011</b>    |
|   | <b>RM'000</b>            | <b>RM'000</b>  | <b>RM'000</b>             | <b>RM'000</b>  |
| <b>GROUP</b>                                    |                          |                |                           |                |
| Personnel costs                                 |                          |                |                           |                |
| - Salaries, allowances and bonuses              | <b>83,784</b>            | 73,294         | <b>83,784</b>             | 73,294         |
| - Contribution to EPF                           | <b>13,344</b>            | 11,765         | <b>13,344</b>             | 11,765         |
| - Share options/grants under ESS                | <b>1,984</b>             | 1,263          | <b>1,984</b>              | 1,263          |
| - Others  | <b>7,254</b>             | 6,291          | <b>7,254</b>              | 6,291          |
|   | <b>106,366</b>           | 92,613         | <b>106,366</b>            | 92,613         |
| Establishment costs                             |                          |                |                           |                |
| - Depreciation of property, plant and equipment | <b>7,317</b>             | 7,429          | <b>7,317</b>              | 7,429          |
| - Amortisation of computer software             | <b>4,967</b>             | 4,065          | <b>4,967</b>              | 4,065          |
| - Rental of premises                            | <b>7,089</b>             | 6,184          | <b>7,089</b>              | 6,184          |
| - Water and electricity                         | <b>1,449</b>             | 1,777          | <b>1,449</b>              | 1,777          |
| - Repairs and maintenance                       | <b>2,270</b>             | 1,985          | <b>2,270</b>              | 1,985          |
| - Information technology expenses               | <b>10,341</b>            | 7,176          | <b>10,341</b>             | 7,176          |
| - Others  | <b>2,525</b>             | 6,745          | <b>2,525</b>              | 6,745          |
|   | <b>35,958</b>            | 35,361         | <b>35,958</b>             | 35,361         |
| Marketing expenses                              |                          |                |                           |                |
| - Promotion and advertisement                   | <b>2,991</b>             | 2,560          | <b>2,991</b>              | 2,560          |
| - Branding and publicity                        | <b>826</b>               | 886            | <b>826</b>                | 886            |
| - Others  | <b>1,328</b>             | 1,099          | <b>1,328</b>              | 1,099          |
|   | <b>5,145</b>             | 4,545          | <b>5,145</b>              | 4,545          |
| Administration and general expenses             |                          |                |                           |                |
| - Communication expenses                        | <b>3,412</b>             | 3,515          | <b>3,412</b>              | 3,515          |
| - Printing and stationery                       | <b>960</b>               | 458            | <b>960</b>                | 458            |
| - Insurance                                     | <b>1,997</b>             | 259            | <b>1,997</b>              | 259            |
| - Professional fees                             | <b>3,097</b>             | 2,862          | <b>3,097</b>              | 2,862          |
| - Others  | <b>3,437</b>             | 3,545          | <b>3,437</b>              | 3,545          |
|   | <b>12,903</b>            | 10,639         | <b>12,903</b>             | 10,639         |
| Total other operating expenses                  | <b>160,372</b>           | 143,158        | <b>160,372</b>            | 143,158        |

**A28 Write-back of Losses on Loans, Advances and Financing and Other Losses**

|   | <b>1st Quarter Ended</b> |            | <b>Three Months Ended</b> |            |
|---|--------------------------|------------|---------------------------|------------|
|   | <b>30 June</b>           | 30 June    | <b>30 June</b>            | 30 June    |
|   | <b>2012</b>              | 2011       | <b>2012</b>               | 2011       |
|   |                          | (Restated) |                           | (Restated) |
|   | <b>RM'000</b>            | RM'000     | <b>RM'000</b>             | RM'000     |
| <b><u>BANK</u></b>  |                          |            |                           |            |
| (Write-back of)/allowance for impaired loans and financing: |                          |            |                           |            |
| (a) Individual assessment allowance                         |                          |            |                           |            |
| - write-back during the period (net)                        | <b>(2,060)</b>           | (3,595)    | <b>(2,060)</b>            | (3,595)    |
| (b) Collective assessment allowance                         |                          |            |                           |            |
| - (write-back)/made during the period (net)                 | <b>(5,177)</b>           | 1,185      | <b>(5,177)</b>            | 1,185      |
| (c) Bad debts on loans and financing                        |                          |            |                           |            |
| - Recovered   | <b>(8,435)</b>           | (9,900)    | <b>(8,435)</b>            | (9,900)    |
| - Written-off   | <b>2,981</b>             | 156        | <b>2,981</b>              | 156        |
|   | <b>(12,691)</b>          | (12,154)   | <b>(12,691)</b>           | (12,154)   |
| Write-back of commitments and contingencies                 | -                        | (50)       | -                         | (50)       |
| Allowance for other assets                                  | <b>1,421</b>             | 1,498      | <b>1,421</b>              | 1,498      |
|   | <b>(11,270)</b>          | (10,706)   | <b>(11,270)</b>           | (10,706)   |
| <b><u>GROUP</u></b>   |                          |            |                           |            |
| (Write-back of)/allowance for impaired loans and financing: |                          |            |                           |            |
| (a) Individual assessment allowance                         |                          |            |                           |            |
| - write-back during the period (net)                        | <b>(3,624)</b>           | (4,039)    | <b>(3,624)</b>            | (4,039)    |
| (b) Collective assessment allowance                         |                          |            |                           |            |
| - (write-back)/made during the period (net)                 | <b>(239)</b>             | 7,669      | <b>(239)</b>              | 7,669      |
| (c) Bad debts on loans and financing                        |                          |            |                           |            |
| - Recovered   | <b>(10,914)</b>          | (16,345)   | <b>(10,914)</b>           | (16,345)   |
| - Written-off   | <b>4,504</b>             | 173        | <b>4,504</b>              | 173        |
|   | <b>(10,273)</b>          | (12,542)   | <b>(10,273)</b>           | (12,542)   |
| Write-back of commitments and contingencies                 | -                        | (50)       | -                         | (50)       |
| Allowance for other assets                                  | <b>1,487</b>             | 1,633      | <b>1,487</b>              | 1,633      |
|   | <b>(8,786)</b>           | (10,959)   | <b>(8,786)</b>            | (10,959)   |

**A29 Commitments and Contingencies**

The off-balance sheet exposures and their related counterparty credit risk of the Bank and the Group are as follows:

|   | <b>Principal<br/>Amount<br/>RM'000</b> | <b>Positive<br/>Fair Value<br/>of Derivative<br/>Contracts<br/>RM'000</b> | <b>Credit<br/>Equivalent<br/>Amount<br/>RM'000</b> | <b>Risk-<br/>Weighted<br/>Assets<br/>RM'000</b> |
|---|--|---|--|---|
| <b><u>Bank</u></b>                                      |  |   |  |   |
| <b>2012</b>   |  |   |  |   |
| <u>Credit-related exposures</u>                         |  |   |  |   |
| Direct credit substitutes                               | 335,995                                | -   | 335,995  | 335,995   |
| Transaction-related contingent items                    | 539,703                                | -   | 269,851  | 269,851   |
| Short-term self-liquidating trade-related contingencies | 122,579                                | -   | 24,516   | 24,516  |
| Irrevocable commitments to extent credit:               |  |   |  |   |
| - maturity exceeding one year                           | 4,173,216                              | -   | 2,086,608  | 1,727,225                                       |
| - maturity not exceeding one year                       | 5,087,025                              | -   | 1,017,405  | 934,957   |
| unutilised credit card lines                            | 2,085,413                              | -   | 417,083  | 325,753   |
|   | <u>12,343,931</u>                      | <u>-</u>  | <u>4,151,458</u>                                   | <u>3,618,297</u>                                |
| <u>Derivative financial instruments</u>                 |  |   |  |   |
| Foreign exchange related contracts:                     |  |   |  |   |
| - less than one year                                    | 3,415,426                              | 38,530  | 84,313   | 60,552  |
| Interest rate related contracts:                        |  |   |  |   |
| - one year or less                                      | 637,000                                | 531   | 1,288  | 257   |
| - over one year to three years                          | 1,130,000                              | 1,689   | 13,488   | 2,698   |
| - over three years                                      | 474,408                                | 4,229   | 24,128   | 8,995   |
|   | <u>5,656,834</u>                       | <u>44,979</u>   | <u>123,217</u>                                     | <u>72,502</u>                                   |
|   | <u>18,000,765</u>                      | <u>44,979</u>   | <u>4,274,675</u>                                   | <u>3,690,799</u>                                |
| <b><u>Group</u></b>                                     |  |   |  |   |
| <b>2012</b>   |  |   |  |   |
| <u>Credit-related exposures</u>                         |  |   |  |   |
| Direct credit substitutes                               | 379,922                                | -   | 379,922  | 379,922   |
| Transaction-related contingent items                    | 574,121                                | -   | 287,061  | 287,061   |
| Short-term self-liquidating trade-related contingencies | 167,392                                | -   | 33,478   | 33,478  |
| Obligation under on-going underwriting agreement        | 14,610                                 | -   | 7,305  | 7,305   |
| Irrevocable commitments to extent credit:               |  |   |  |   |
| - maturity exceeding one year                           | 4,867,500                              | -   | 2,433,750  | 2,001,757                                       |
| - maturity not exceeding one year                       | 6,223,836                              | -   | 1,244,767  | 1,092,431                                       |
| unutilised credit card lines                            | 2,085,413                              | -   | 417,083  | 325,753   |
|   | <u>14,312,794</u>                      | <u>-</u>  | <u>4,803,366</u>                                   | <u>4,127,707</u>                                |
| <u>Derivative financial instruments</u>                 |  |   |  |   |
| Foreign exchange related contracts:                     |  |   |  |   |
| - less than one year                                    | 3,415,426                              | 38,530  | 84,313   | 60,552  |
| Interest rate related contracts:                        |  |   |  |   |
| - one year or less                                      | 637,000                                | 531   | 1,288  | 257   |
| - over one year to three years                          | 1,130,000                              | 1,689   | 13,488   | 2,698   |
| - over three years                                      | 474,408                                | 4,229   | 24,128   | 8,995   |
|   | <u>5,656,834</u>                       | <u>44,979</u>   | <u>123,217</u>                                     | <u>72,502</u>                                   |
|   | <u>19,969,628</u>                      | <u>44,979</u>   | <u>4,926,583</u>                                   | <u>4,200,209</u>                                |

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**A29 Commitments and Contingencies (contd.)**

The off-balance sheet exposures and their related counterparty credit risk of the Bank and the Group are as follows (contd.):

|   | Principal<br>Amount<br>RM'000 | Positive<br>Fair Value<br>of Derivative<br>Contracts<br>RM'000 | Credit<br>Equivalent<br>Amount<br>RM'000 | Risk-<br>Weighted<br>Assets<br>RM'000 |
|---|-------------------------------|--|--|---------------------------------------|
| <b><u>Bank</u></b>                                      |                               |  |  |                                       |
| <b>2011</b>   |                               |  |  |                                       |
| <u>Credit-related exposures</u>                         |                               |  |  |                                       |
| Direct credit substitutes                               | 354,758                       | -  | 354,758                                  | 354,758                               |
| Transaction-related contingent items                    | 515,510                       | -  | 257,755                                  | 257,755                               |
| Short-term self-liquidating trade-related contingencies | 126,778                       | -  | 25,356                                   | 25,356                                |
| Irrevocable commitments to extent credit:               |                               |  |  |                                       |
| - maturity exceeding one year                           | 3,645,632                     | -  | 1,822,816                                | 1,518,664                             |
| - maturity not exceeding one year                       | 4,675,582                     | -  | 935,116                                  | 858,102                               |
| unutilised credit card lines                            | 2,188,661                     | -  | 437,732                                  | 340,525                               |
|   | <u>11,506,921</u>             | <u>-</u>   | <u>3,833,533</u>                         | <u>3,355,160</u>                      |
| <u>Derivative financial instruments</u>                 |                               |  |  |                                       |
| Foreign exchange related contracts:                     |                               |  |  |                                       |
| - less than one year                                    | 3,147,488                     | 17,730   | 64,522                                   | 38,478                                |
| Interest rate related contracts:                        |                               |  |  |                                       |
| - one year or less                                      | 587,000                       | 130  | 912                                      | 182                                   |
| - over one year to three years                          | 1,110,000                     | 2,592  | 14,192                                   | 2,838                                 |
| - over three years                                      | 423,896                       | 3,260  | 20,055                                   | 6,467                                 |
|   | <u>5,268,384</u>              | <u>23,712</u>  | <u>99,681</u>                            | <u>47,965</u>                         |
|   | <u>16,775,305</u>             | <u>23,712</u>  | <u>3,933,214</u>                         | <u>3,403,125</u>                      |
| <b><u>Group</u></b>                                     |                               |  |  |                                       |
| <b>2011</b>   |                               |  |  |                                       |
| <u>Credit-related exposures</u>                         |                               |  |  |                                       |
| Direct credit substitutes                               | 397,029                       | -  | 397,029                                  | 397,029                               |
| Transaction-related contingent items                    | 549,766                       | -  | 274,883                                  | 274,883                               |
| Short-term self-liquidating trade-related contingencies | 153,561                       | -  | 30,712                                   | 30,712                                |
| Obligation under on-going underwriting agreement        | 70,122                        | -  | 35,061                                   | 35,061                                |
| Irrevocable commitments to extent credit:               |                               |  |  |                                       |
| - maturity exceeding one year                           | 4,320,657                     | -  | 2,160,328                                | 1,786,192                             |
| - maturity not exceeding one year                       | 5,793,193                     | -  | 1,158,639                                | 1,004,648                             |
| unutilised credit card lines                            | 2,188,661                     | -  | 437,732                                  | 340,525                               |
|   | <u>13,472,989</u>             | <u>-</u>   | <u>4,494,384</u>                         | <u>3,869,050</u>                      |
| <u>Derivative financial instruments</u>                 |                               |  |  |                                       |
| Foreign exchange related contracts:                     |                               |  |  |                                       |
| - less than one year                                    | 3,147,488                     | 17,730   | 64,522                                   | 38,478                                |
| Interest rate related contracts:                        |                               |  |  |                                       |
| - one year or less                                      | 587,000                       | 130  | 912                                      | 182                                   |
| - over one year to three years                          | 1,110,000                     | 2,592  | 14,192                                   | 2,838                                 |
| - over three years                                      | 423,896                       | 3,260  | 20,055                                   | 6,467                                 |
|   | <u>5,268,384</u>              | <u>23,712</u>  | <u>99,681</u>                            | <u>47,965</u>                         |
|   | <u>18,741,373</u>             | <u>23,712</u>  | <u>4,594,065</u>                         | <u>3,917,015</u>                      |

**A30 Derivative Financial Assets/(Liabilities)**

Derivative financial instruments measured at fair values together with their corresponding contract/notional amounts:

| <b>BANK/GROUP</b>                             | <b>As at<br/>30 June 2012</b> |   |                               | <b>As at<br/>31 March 2012</b> |   |                               |
|---|-------------------------------|---|-------------------------------|--------------------------------|---|-------------------------------|
|   | <b>Principal<br/>RM'000</b>   | <b>Fair value<br/>Assets<br/>RM'000</b> | <b>Liabilities<br/>RM'000</b> | <b>Principal<br/>RM'000</b>    | <b>Fair value<br/>Assets<br/>RM'000</b> | <b>Liabilities<br/>RM'000</b> |
| Foreign exchange and commodity contracts      |                               |   |                               |                                |   |                               |
| Currency forwards                             |                               |   |                               |                                |   |                               |
| - one year or less                            | 981,786                       | 24,645                                  | (1,643)                       | 859,253                        | 4,792                                   | (6,243)                       |
| Currency swaps                                |                               |   |                               |                                |   |                               |
| - one year or less                            | 1,560,235                     | 10,914                                  | (20,799)                      | 1,690,284                      | 9,774                                   | (8,784)                       |
| Currency spots                                |                               |   |                               |                                |   |                               |
| - one year or less                            | 525,044                       | 872                                     | (881)                         | 258,209                        | 185                                     | (150)                         |
| Currency options                              |                               |   |                               |                                |   |                               |
| - one year or less                            | 99,526                        | 521                                     | (390)                         | 122,204                        | 467                                     | (324)                         |
| Gold options                                  |                               |   |                               |                                |   |                               |
| - one year or less                            | 248,835                       | 1,578                                   | (960)                         | 217,538                        | 2,512                                   | (1,102)                       |
|   | <b>3,415,426</b>              | <b>38,530</b>                           | <b>(24,673)</b>               | <b>3,147,488</b>               | <b>17,730</b>                           | <b>(16,603)</b>               |
| Interest rate derivatives                     |                               |   |                               |                                |   |                               |
| Interest rate swap                            | 2,171,704                     | 6,449                                   | (5,533)                       | 2,106,781                      | 5,982                                   | (9,215)                       |
| - one year or less                            | 637,000                       | 531                                     | (393)                         | 587,000                        | 130                                     | (105)                         |
| - over one year to three years                | 1,130,000                     | 1,689                                   | (1,775)                       | 1,110,000                      | 2,592                                   | (2,030)                       |
| - over three years                            | 404,704                       | 4,229                                   | (3,365)                       | 409,781                        | 3,260                                   | (7,080)                       |
| <b>Hedging Derivatives</b>                    |                               |   |                               |                                |   |                               |
| Interest rate swap                            |                               |   |                               |                                |   |                               |
| - over three years                            | 69,704                        | -                                       | (1,040)                       | 14,115                         | -                                       | (423)                         |
| <b>Total derivatives assets/(liabilities)</b> | <b>5,656,834</b>              | <b>44,979</b>                           | <b>(31,246)</b>               | <b>5,268,384</b>               | <b>23,712</b>                           | <b>(26,241)</b>               |

The credit risk, market risk and liquidity risk associated with the derivatives and the policies in place for mitigating or controlling the risks with these derivatives are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 March 2012.

Forwards

Forwards are contractual agreements to buy or sell a specified financial instrument at a specific price and date in the future. Forwards are customised contracts transacted in the over-the-counter market.

Swaps

Swaps are contractual agreements between two parties to exchange exposures in foreign currency or interest rates.

Spots

Spots refer to the buying and selling of the currency where the settlement date is two business days.

**A30 Derivative Financial Assets/(Liabilities) (Contd.)**

Options

Options are contractual agreements under which the seller grants the purchaser the right, but not the obligation, either to buy (a call option) or sell (a put option) at or by a set date during a set period, a specific amount of an underlying asset at a predetermined price. The seller receives a premium from the purchaser in consideration of risk. Options may be either exchange-traded or negotiated between the purchaser and the seller in the over-the-counter market.

Related accounting policies

Derivative financial instruments are initially recognised at fair value, which is normally zero or negligible at inception except for options and subsequently re-measured at their fair value. The fair value of options at inception is normally equivalent to the premium received (for options written) or paid (for options purchased). All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. Changes in the fair value are recognised in the statement of comprehensive income.

Interest income and expenses associated with interest rate swaps are recognised over the life of the swap agreement as a component of interest income or interest expense.



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**A31 Interest Rate Risk**

| <u>BANK</u><br>As at 30 June 2012                                      | Non-Trading Book           |                          |                          |                           |                      |                        | Non-interest<br>sensitive | Trading<br>book  | Total             | Effective<br>interest rate<br>% |
|--|----------------------------|--------------------------|--------------------------|---------------------------|----------------------|------------------------|---------------------------|------------------|-------------------|---------------------------------|
|  | Up to 1<br>month<br>RM'000 | >1-3<br>months<br>RM'000 | >3-6<br>months<br>RM'000 | >6-12<br>months<br>RM'000 | >1-5 years<br>RM'000 | Over 5 years<br>RM'000 |                           |                  |                   |                                 |
| <b>Assets</b>  |                            |                          |                          |                           |                      |                        |                           |                  |                   |                                 |
| Cash and short-term funds  | 559,035                    | -                        | -                        | -                         | -                    | -                      | 420,063                   | -                | 979,098           | 3.12                            |
| Deposits and placements with banks<br>and other financial institutions | -                          | 32,333                   | -                        | -                         | -                    | -                      | 168                       | -                | 32,501            | 4.15                            |
| Financial assets held-for-trading                                      | -                          | -                        | -                        | -                         | -                    | -                      | -                         | 1,432,657        | 1,432,657         | 3.05                            |
| Financial investments available-for-sale                               | 644,192                    | 1,497,929                | 60,096                   | 264,539                   | 2,249,156            | 2,594,735              | 141,475                   | -                | 7,452,122         | 3.46                            |
| Financial investments held-to-maturity                                 | -                          | 76,018                   | 37                       | -                         | -                    | 101,244                | 2,191                     | -                | 179,490           | 3.79                            |
| Derivative financial assets  |                            |                          |                          |                           |                      |                        |                           |                  |                   |                                 |
| - Trading derivatives  | -                          | -                        | -                        | -                         | -                    | -                      | -                         | 44,979           | 44,979            | -                               |
| Loans, advances and financing  | 16,590,982                 | 815,931                  | 235,072                  | 582,326                   | 1,034,334            | 1,267,729              | 72,393*                   | -                | 20,598,767        | 5.18                            |
| Other non-interest sensitive balances                                  | -                          | -                        | -                        | -                         | -                    | -                      | 2,339,186                 | -                | 2,339,186         | -                               |
| <b>Total assets</b>  | <b>17,794,209</b>          | <b>2,422,211</b>         | <b>295,205</b>           | <b>846,865</b>            | <b>3,283,490</b>     | <b>3,963,708</b>       | <b>2,975,476</b>          | <b>1,477,636</b> | <b>33,058,800</b> |                                 |
| <b>Liabilities</b>   |                            |                          |                          |                           |                      |                        |                           |                  |                   |                                 |
| Deposits from customers  | 11,677,299                 | 2,768,079                | 2,578,241                | 3,986,045                 | 89,309               | 68,664                 | 4,971,163                 | -                | 26,138,800        | 2.20                            |
| Deposits and placements of banks<br>and other financial institutions   | 1,258,348                  | 221,139                  | 20,124                   | 80,186                    | 520,716              | -                      | 4,234                     | -                | 2,104,747         | 1.90                            |
| Bills and acceptances payable  | -                          | 16                       | 99                       | -                         | -                    | -                      | -                         | -                | 115               | 3.24                            |
| Derivative financial liabilities                                       |                            |                          |                          |                           |                      |                        |                           |                  |                   |                                 |
| - Trading derivatives  | -                          | -                        | -                        | -                         | -                    | -                      | -                         | 30,206           | 30,206            | -                               |
| - Hedging derivatives  | -                          | -                        | -                        | -                         | -                    | 1,040                  | -                         | -                | 1,040             | n/a                             |
| Amount due to Cagamas Berhad   | -                          | 1,550                    | 9,160                    | -                         | 10,545               | -                      | -                         | -                | 21,255            | 4.54                            |
| Subordinated obligations   | -                          | -                        | -                        | -                         | 597,915              | -                      | 6,576                     | -                | 604,491           | 4.92                            |
| Other non-interest sensitive balances                                  | -                          | -                        | -                        | -                         | -                    | -                      | 738,496                   | -                | 738,496           | -                               |
| <b>Total liabilities</b>   | <b>12,935,647</b>          | <b>2,990,784</b>         | <b>2,607,624</b>         | <b>4,066,231</b>          | <b>1,218,485</b>     | <b>69,704</b>          | <b>5,720,469</b>          | <b>30,206</b>    | <b>29,639,150</b> |                                 |
| Equity   | -                          | -                        | -                        | -                         | -                    | -                      | 3,419,650                 | -                | 3,419,650         | -                               |
| <b>Total liabilities and equity</b>                                    | <b>12,935,647</b>          | <b>2,990,784</b>         | <b>2,607,624</b>         | <b>4,066,231</b>          | <b>1,218,485</b>     | <b>69,704</b>          | <b>9,140,119</b>          | <b>30,206</b>    | <b>33,058,800</b> |                                 |
| On-balance sheet interest<br>sensitivity gap                           | 4,858,562                  | (568,573)                | (2,312,419)              | (3,219,366)               | 2,065,005            | 3,894,004              | (6,164,643)               | 1,447,430        | -                 |                                 |

\* Impaired loans, individual assessment allowance and collective assessment allowance of the Bank and the Group are classified under the non-interest sensitive column.

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**A31 Interest Rate Risk (contd.)**

| GROUP   | Non-Trading Book  |                  |                  |                  |                  |                  |                        | Trading book     | Total             | Effective Interest/<br>profit rate % |
|---|-------------------|------------------|------------------|------------------|------------------|------------------|------------------------|------------------|-------------------|--------------------------------------|
|   | Up to 1 month     | >1-3 months      | >3-6 months      | >6-12 months     | >1-5 years       | Over 5 years     | Non-interest sensitive |                  |                   |                                      |
| As at 30 June 2012  | RM'000            | RM'000           | RM'000           | RM'000           | RM'000           | RM'000           | RM'000                 | RM'000           | RM'000            |                                      |
| <b>Assets</b>   |                   |                  |                  |                  |                  |                  |                        |                  |                   |                                      |
| Cash and short-term funds   | 530,665           | -                | -                | -                | -                | -                | 461,209                | -                | 991,874           | 3.11                                 |
| Deposits and placements with banks and other financial institutions | -                 | 32,500           | -                | -                | -                | -                | 172                    | -                | 32,672            | 4.15                                 |
| Balances due from clients and brokers                               | 1,055             | -                | -                | -                | -                | -                | 52,045                 | -                | 53,100            | 12.00                                |
| Financial assets held-for-trading                                   | -                 | -                | -                | -                | -                | -                | -                      | 1,562,623        | 1,562,623         | 3.05                                 |
| Financial investments available-for-sale                            | 1,103,070         | 2,004,794        | 117,088          | 304,872          | 2,426,960        | 3,248,727        | 197,091                | -                | 9,402,602         | 3.77                                 |
| Financial investments held-to-maturity                              | 8,903             | 125,574          | 12,001           | -                | 437,702          | 152,300          | 6,616                  | -                | 743,096           | 3.60                                 |
| Derivative financial assets   |                   |                  |                  |                  |                  |                  |                        |                  |                   |                                      |
| - Trading derivatives   | -                 | -                | -                | -                | -                | -                | -                      | 44,979           | 44,979            | -                                    |
| Loans, advances and financing                                       | 19,538,435        | 1,016,399        | 312,980          | 630,540          | 1,571,830        | 2,195,061        | 82,232*                | -                | 25,347,477        | 5.47                                 |
| Other non-interest sensitive balances                               | -                 | -                | -                | -                | -                | -                | 1,849,636              | -                | 1,849,636         | -                                    |
| <b>Total assets</b>   | <b>21,182,128</b> | <b>3,179,267</b> | <b>442,069</b>   | <b>935,412</b>   | <b>4,436,492</b> | <b>5,596,088</b> | <b>2,649,001</b>       | <b>1,607,602</b> | <b>40,028,059</b> |                                      |
| <b>Liabilities</b>  |                   |                  |                  |                  |                  |                  |                        |                  |                   |                                      |
| Deposits from customers   | 15,363,869        | 3,232,727        | 3,169,295        | 4,697,446        | 70,768           | 68,664           | 4,996,534              | -                | 31,599,303        | 2.24                                 |
| Deposits and placements of banks and other financial institutions   | 1,885,348         | 401,139          | 20,545           | 78,795           | 586,144          | -                | 5,133                  | -                | 2,977,104         | 2.21                                 |
| Balances due to clients and brokers                                 | 48,803            | -                | -                | -                | -                | -                | 33,290                 | -                | 82,093            | 2.90                                 |
| Bills and acceptances payable                                       | 16                | 65               | 115              | -                | -                | -                | -                      | -                | 196               | 3.32                                 |
| Derivative financial liabilities                                    |                   |                  |                  |                  |                  |                  |                        |                  |                   |                                      |
| - Trading derivatives   | -                 | -                | -                | -                | -                | -                | -                      | 30,206           | 30,206            | -                                    |
| - Hedging derivatives   | -                 | -                | -                | -                | -                | 1,040            | -                      | -                | 1,040             | n/a                                  |
| Amount due to Cagamas Berhad  | -                 | 1,550            | 9,160            | -                | 10,545           | -                | -                      | -                | 21,255            | 3.77                                 |
| Subordinated obligations  | -                 | -                | -                | -                | 597,915          | -                | 6,576                  | -                | 604,491           | 4.92                                 |
| Other non-interest sensitive balances                               | -                 | -                | -                | -                | -                | -                | 854,305                | -                | 854,305           | -                                    |
| <b>Total liabilities</b>  | <b>17,298,036</b> | <b>3,635,481</b> | <b>3,199,115</b> | <b>4,776,241</b> | <b>1,265,372</b> | <b>69,704</b>    | <b>5,895,838</b>       | <b>30,206</b>    | <b>36,169,993</b> |                                      |
| Equity  | -                 | -                | -                | -                | -                | -                | 3,853,116              | -                | 3,853,116         | -                                    |
| Non-controlling interests   | -                 | -                | -                | -                | -                | -                | 4,950                  | -                | 4,950             | -                                    |
| <b>Total liabilities and equity</b>                                 | <b>17,298,036</b> | <b>3,635,481</b> | <b>3,199,115</b> | <b>4,776,241</b> | <b>1,265,372</b> | <b>69,704</b>    | <b>9,753,904</b>       | <b>30,206</b>    | <b>40,028,059</b> |                                      |
| On-balance sheet interest sensitivity gap                           | 3,884,092         | (456,214)        | (2,757,046)      | (3,840,829)      | 3,171,120        | 5,526,384        | (7,104,903)            | 1,577,396        | -                 |                                      |

\* Impaired loans, individual assessment allowance and collective assessment allowance of the Bank and the Group are classified under the non-interest/profit sensitive column.

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**A31 Interest Rate Risk (contd.)**

| <u>BANK</u><br>As at 31 March 2012                                     | Non-Trading Book           |                          |                          |                           |                      |                        | Non-interest<br>sensitive<br>RM'000 | Trading<br>book<br>RM'000 | Total<br>RM'000   | Effective<br>interest rate<br>% |
|--|----------------------------|--------------------------|--------------------------|---------------------------|----------------------|------------------------|-------------------------------------|---------------------------|-------------------|---------------------------------|
|  | Up to 1<br>month<br>RM'000 | >1-3<br>months<br>RM'000 | >3-6<br>months<br>RM'000 | >6-12<br>months<br>RM'000 | >1-5 years<br>RM'000 | Over 5 years<br>RM'000 |                                     |                           |                   |                                 |
| <b>Assets</b>  |                            |                          |                          |                           |                      |                        |                                     |                           |                   |                                 |
| Cash and short-term funds  | 1,292,323                  | -                        | -                        | -                         | -                    | -                      | 437,967                             | -                         | 1,730,290         | 3.01                            |
| Deposits and placements with banks<br>and other financial institutions | -                          | 143,138                  | -                        | -                         | -                    | -                      | 323                                 | -                         | 143,461           | 2.49                            |
| Financial assets held-for-trading                                      | -                          | -                        | -                        | -                         | -                    | -                      | -                                   | 1,342,302                 | 1,342,302         | 3.00                            |
| Financial investments available-for-sale                               | 633,474                    | 1,522,660                | 86,863                   | 38,602                    | 2,390,021            | 2,599,499              | 148,792                             | -                         | 7,419,911         | 3.47                            |
| Financial investments held-to-maturity                                 | -                          | 50,081                   | 75,943                   | 28                        | -                    | 101,293                | 1,277                               | -                         | 228,622           | 3.59                            |
| Derivative financial assets  |                            |                          |                          |                           |                      |                        |                                     |                           |                   |                                 |
| - Trading derivatives  | -                          | -                        | -                        | -                         | -                    | -                      | -                                   | 23,712                    | 23,712            | -                               |
| Loans, advances and financing  | 16,192,162                 | 848,676                  | 280,215                  | 559,845                   | 906,070              | 954,333                | 71,304                              | -                         | 19,812,605        | 5.20                            |
| Other non-interest sensitive balances                                  | -                          | -                        | -                        | -                         | -                    | -                      | 2,143,143                           | -                         | 2,143,143         | -                               |
| <b>Total assets</b>  | <b>18,117,959</b>          | <b>2,564,555</b>         | <b>443,021</b>           | <b>598,475</b>            | <b>3,296,091</b>     | <b>3,655,125</b>       | <b>2,802,806</b>                    | <b>1,366,014</b>          | <b>32,844,046</b> |                                 |
| <b>Liabilities</b>   |                            |                          |                          |                           |                      |                        |                                     |                           |                   |                                 |
| Deposits from customers  | 12,355,332                 | 3,180,174                | 2,126,444                | 4,403,520                 | 91,742               | 40,278                 | 4,761,413                           | -                         | 26,958,903        | 2.30                            |
| Deposits and placements of banks<br>and other financial institutions   | 154,255                    | 171,662                  | 226,140                  | 61,340                    | 564,482              | -                      | 8,851                               | -                         | 1,186,730         | 1.36                            |
| Bills and acceptances payable  | 2                          | 18                       | 111                      | -                         | -                    | -                      | -                                   | -                         | 131               | 3.24                            |
| Derivative financial liabilities                                       |                            |                          |                          |                           |                      |                        |                                     |                           |                   |                                 |
| - Trading derivatives  | -                          | -                        | -                        | -                         | -                    | -                      | -                                   | 25,818                    | 25,818            | -                               |
| - Hedging derivatives  | -                          | -                        | -                        | -                         | -                    | 423                    | -                                   | -                         | 423               | n/a                             |
| Amount due to Cagamas Berhad   | -                          | -                        | 1,634                    | 9,566                     | 10,844               | -                      | -                                   | -                         | 22,044            | 4.54                            |
| Subordinated obligations   | -                          | -                        | -                        | -                         | 597,829              | -                      | 13,786                              | -                         | 611,615           | 4.92                            |
| Other non-interest sensitive balances                                  | -                          | -                        | -                        | -                         | -                    | -                      | 740,291                             | -                         | 740,291           | -                               |
| <b>Total liabilities</b>   | <b>12,509,589</b>          | <b>3,351,854</b>         | <b>2,354,329</b>         | <b>4,474,426</b>          | <b>1,264,897</b>     | <b>40,701</b>          | <b>5,524,341</b>                    | <b>25,818</b>             | <b>29,545,955</b> |                                 |
| Equity   | -                          | -                        | -                        | -                         | -                    | -                      | 3,298,091                           | -                         | 3,298,091         | -                               |
| <b>Total liabilities and equity</b>                                    | <b>12,509,589</b>          | <b>3,351,854</b>         | <b>2,354,329</b>         | <b>4,474,426</b>          | <b>1,264,897</b>     | <b>40,701</b>          | <b>8,822,432</b>                    | <b>25,818</b>             | <b>32,844,046</b> |                                 |
| On-balance sheet interest<br>sensitivity gap                           | 5,608,370                  | (787,299)                | (1,911,308)              | (3,875,951)               | 2,031,194            | 3,614,424              | (6,019,626)                         | 1,340,196                 | -                 |                                 |

\* Impaired loans, individual assessment allowance and collective assessment allowance of the Bank and the Group are classified under the non-interest sensitive column.

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**A31 Interest Rate Risk (contd.)**

| GROUP   | Non-Trading Book     |                    |                    |                     |                   |                     |                               | Trading book RM'000 | Total RM'000      | Effective Interest/profit rate % |
|---|----------------------|--------------------|--------------------|---------------------|-------------------|---------------------|-------------------------------|---------------------|-------------------|----------------------------------|
|   | Up to 1 month RM'000 | >1-3 months RM'000 | >3-6 months RM'000 | >6-12 months RM'000 | >1-5 years RM'000 | Over 5 years RM'000 | Non-interest sensitive RM'000 |                     |                   |                                  |
| <b>As at 31 March 2012</b>  |                      |                    |                    |                     |                   |                     |                               |                     |                   |                                  |
| <b>Assets</b>   |                      |                    |                    |                     |                   |                     |                               |                     |                   |                                  |
| Cash and short-term funds   | 1,384,073            | -                  | -                  | -                   | -                 | -                   | 490,259                       | -                   | 1,874,332         | 3.04                             |
| Deposits and placements with banks and other financial institutions | -                    | 93,138             | 165                | -                   | -                 | -                   | 135                           | -                   | 93,438            | 2.42                             |
| Balances due from clients and brokers                               | 1,631                | -                  | -                  | -                   | -                 | -                   | 60,133                        | -                   | 61,764            | 12.00                            |
| Financial assets held-for-trading                                   | -                    | -                  | -                  | -                   | -                 | -                   | -                             | 1,491,995           | 1,491,995         | 3.00                             |
| Financial investments available-for-sale                            | 953,177              | 1,910,031          | 150,485            | 88,717              | 2,493,255         | 3,314,235           | 213,301                       | -                   | 9,123,201         | 3.79                             |
| Financial investments held-to-maturity                              | -                    | 50,081             | 134,359            | 11,992              | 357,154           | 233,114             | 8,556                         | -                   | 795,256           | 3.55                             |
| Derivative financial assets   |                      |                    |                    |                     |                   |                     |                               |                     |                   |                                  |
| - Trading derivatives   | -                    | -                  | -                  | -                   | -                 | -                   | -                             | 23,712              | 23,712            | -                                |
| Loans, advances and financing                                       | 18,988,098           | 1,013,570          | 338,603            | 608,585             | 1,485,718         | 1,976,860           | 77,398 *                      | -                   | 24,488,832        | 5.46                             |
| Other non-interest sensitive balances                               | -                    | -                  | -                  | -                   | -                 | -                   | 1,731,349                     | -                   | 1,731,349         | -                                |
| <b>Total assets</b>   | <b>21,326,979</b>    | <b>3,066,820</b>   | <b>623,612</b>     | <b>709,294</b>      | <b>4,336,127</b>  | <b>5,524,209</b>    | <b>2,581,131</b>              | <b>1,515,707</b>    | <b>39,683,879</b> |                                  |
| <b>Liabilities</b>  |                      |                    |                    |                     |                   |                     |                               |                     |                   |                                  |
| Deposits from customers   | 15,949,024           | 3,716,695          | 2,369,875          | 5,203,955           | 87,647            | 40,278              | 4,786,169                     | -                   | 32,153,643        | 2.32                             |
| Deposits and placements of banks and other financial institutions   | 771,753              | 462,662            | 226,140            | 61,329              | 628,462           | -                   | 10,659                        | -                   | 2,161,005         | 2.02                             |
| Balances due to clients and brokers                                 | 38,858               | -                  | -                  | -                   | -                 | -                   | 36,057                        | -                   | 74,915            | 2.90                             |
| Bills and acceptances payable                                       | 14                   | 40                 | 124                | -                   | -                 | -                   | -                             | -                   | 178               | 3.36                             |
| Derivative financial liabilities                                    |                      |                    |                    |                     |                   |                     |                               |                     |                   |                                  |
| - Trading derivatives   | -                    | -                  | -                  | -                   | -                 | -                   | -                             | 25,818              | 25,818            | -                                |
| - Hedging derivatives   | -                    | -                  | -                  | -                   | -                 | 423                 | -                             | -                   | 423               | n/a                              |
| Amount due to Cagamas Berhad  | -                    | -                  | 1,634              | 9,566               | 10,844            | -                   | -                             | -                   | 22,044            | 4.54                             |
| Subordinated obligations  | -                    | -                  | -                  | -                   | 597,829           | -                   | 13,786                        | -                   | 611,615           | 4.92                             |
| Other non-interest sensitive balances                               | -                    | -                  | -                  | -                   | -                 | -                   | 914,327                       | -                   | 914,327           | -                                |
| <b>Total liabilities</b>  | <b>16,759,649</b>    | <b>4,179,397</b>   | <b>2,597,773</b>   | <b>5,274,850</b>    | <b>1,324,782</b>  | <b>40,701</b>       | <b>5,760,998</b>              | <b>25,818</b>       | <b>35,963,968</b> |                                  |
| Equity  | -                    | -                  | -                  | -                   | -                 | -                   | 3,715,006                     | -                   | 3,715,006         | -                                |
| Non-controlling interests   | -                    | -                  | -                  | -                   | -                 | -                   | 4,905                         | -                   | 4,905             | -                                |
| <b>Total liabilities and equity</b>                                 | <b>16,759,649</b>    | <b>4,179,397</b>   | <b>2,597,773</b>   | <b>5,274,850</b>    | <b>1,324,782</b>  | <b>40,701</b>       | <b>9,480,909</b>              | <b>25,818</b>       | <b>39,683,879</b> |                                  |
| On-balance sheet interest sensitivity gap                           | 4,567,330            | (1,112,577)        | (1,974,161)        | (4,565,556)         | 3,011,345         | 5,483,508           | (6,899,778)                   | 1,489,889           | -                 |                                  |

\* Impaired loans, individual assessment allowance and collective assessment allowance of the Bank and the Group are classified under the non-interest sensitive column.

## **A32 Segment Information**

The following segment information has been prepared in accordance with FRS 8 Operating Segments, which defines the requirements for the disclosure of financial information of an entity's operating segments. The operating segments results are prepared based on the Group's internal management reporting reflective of the organisation's management reporting structure.

The Group is organised into the following key operating segments:

### **(i) Consumer Banking**

Consumer Banking provides a wide range of personal banking solutions covering mortgages, term loans, personal loans, hire purchase facilities, credit cards, wealth management (cash management, investment services, share trading, bancassurance and will writing). Consumer banking customers are serviced via branch network, call centre, electronic/internet banking channels, and direct sales channels.

### **(ii) Business Banking**

Business Banking segment covers Small and Medium Enterprise ("SME") and Wholesale Banking. SME Banking customers comprise self-employed, small and medium scale enterprises. Wholesale Banking serves public-listed and large corporate business customers including family-owned businesses. Business Banking provides a wide range of products and services including loans, trade finance, cash management, treasury and structured solutions.

### **(iii) Financial Markets**

Financial Markets provide foreign exchange, money market, hedging, wealth management and investment (capital market instruments) solutions for banking customers. It also manages the assets and liabilities, liquidity and statutory reserve requirements of the banking entities in the Group.

### **(iv) Investment Banking**

Investment Banking covers stockbroking activities and corporate advisory which includes initial public offering, equity fund raising, debt fund raising, mergers and acquisitions and corporate restructuring.

### **(v) Others**

Others refer to mainly other business operations such as unit trust, asset management, alternative distribution channels, trustee services and head office.

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**A32 Segment information (contd.)**

| <b>Group</b>   | <b>Consumer<br/>Banking<br/>RM'000</b> | <b>Business<br/>Banking<br/>RM'000</b> | <b>Financial<br/>Markets<br/>RM'000</b> | <b>Investment<br/>Banking<br/>RM'000</b> | <b>Others<br/>RM'000</b> | <b>Total<br/>Operations<br/>RM'000</b> | <b>Inter-segment<br/>Elimination<br/>RM'000</b> | <b>Total<br/>RM'000</b> |
|--|--|--|---|--|--------------------------|--|---|-------------------------|
| <b>1st Quarter ended 30 June 2012</b>  |  |  |   |  |                          |  |   |                         |
| Net interest income  |  |  |   |  |                          |  |   |                         |
| - External income  | 42,111                                 | 72,664                                 | 59,377                                  | 1,505                                    | (1,419)                  | 174,238                                | (434)   | 173,804                 |
| - inter-segment  | 23,279                                 | 1,175                                  | (23,380)                                | (1,074)                                  | -                        | -                                      | -   | -                       |
|  | 65,390                                 | 73,839                                 | 35,997                                  | 431                                      | (1,419)                  | 174,238                                | (434)   | 173,804                 |
| Net income from Islamic banking business   | 28,250                                 | 15,685                                 | 11,695                                  | -  | -                        | 55,630                                 | 7,460   | 63,090                  |
| Other operating income   | 24,276                                 | 33,236                                 | 18,066                                  | 4,803                                    | 9,108                    | 89,489                                 | (7,119)   | 82,370                  |
| Net income   | 117,916                                | 122,760                                | 65,758                                  | 5,234                                    | 7,689                    | 319,357                                | (93)  | 319,264                 |
| Other operating expenses   | (69,225)                               | (55,984)                               | (12,025)                                | (6,644)                                  | (6,071)                  | (149,949)                              | 1,861   | (148,088)               |
| Depreciation and amortisation  | (5,780)                                | (4,528)                                | (1,882)                                 | (80)                                     | (14)                     | (12,284)                               | -   | (12,284)                |
| Operating profit   | 42,911                                 | 62,248                                 | 51,851                                  | (1,490)                                  | 1,604                    | 157,124                                | 1,768   | 158,892                 |
| (Allowance for)/write-back of impairment<br>on loans, advances and financing<br>and other losses | (4,026)                                | 13,026                                 | (164)                                   | (50)                                     | -                        | 8,786                                  | -   | 8,786                   |
| Write-back of impairment   | -                                      | -                                      | 473                                     | -  | -                        | 473                                    | -   | 473                     |
| Segment result   | 38,885                                 | 75,274                                 | 52,160                                  | (1,540)                                  | 1,604                    | 166,383                                | 1,768   | 168,151                 |
| Share of results of associates   |  |  |   |  |                          |  |   | (1,108)                 |
| Taxation and zakat   |  |  |   |  |                          |  |   | (41,770)                |
| Net profit after taxation and zakat  |  |  |   |  |                          |  |   | 125,273                 |
| Segment assets   | 14,497,373                             | 10,752,323                             | 16,116,062                              | 253,988                                  | 49,887                   | 41,669,633                             | (2,125,513)                                     | 39,544,120              |
| Reconciliation of segment assets to<br>consolidated assets:                                      |  |  |   |  |                          |  |   |                         |
| Investments in associates  |  |  |   |  |                          |  |   | 25,927                  |
| Property, plant and equipment  |  |  |   |  |                          |  |   | 88,444                  |
| Unallocated assets   |  |  |   |  |                          |  |   | 13,536                  |
| Intangible assets  |  |  |   |  |                          |  |   | 356,032                 |
| Total assets   |  |  |   |  |                          |  |   | 40,028,059              |
| Segment Liabilities  | 16,457,492                             | 10,658,798                             | 10,119,075                              | 109,919                                  | 18,977                   | 37,364,261                             | (1,272,568)                                     | 36,091,693              |
| Unallocated liabilities  |  |  |   |  |                          |  |   | 78,300                  |
| Total liabilities  |  |  |   |  |                          |  |   | 36,169,993              |

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**A32 Segment information (contd.)**

| <b>Group</b>   | Consumer<br>Banking<br>RM'000 | Business<br>Banking<br>RM'000 | Financial<br>Markets<br>RM'000 | Investment<br>Banking<br>RM'000 | Others<br>RM'000 | Total<br>Operations<br>RM'000 | Inter-segment<br>Elimination<br>RM'000 | Total<br>RM'000 |
|--|-------------------------------|-------------------------------|--------------------------------|---------------------------------|------------------|-------------------------------|--|-----------------|
| <b>As at 30 June 2012</b>  |                               |                               |                                |                                 |                  |                               |  |                 |
| Net interest income  |                               |                               |                                |                                 |                  |                               |  |                 |
| - External income  | 42,111                        | 72,664                        | 59,377                         | 1,505                           | (1,419)          | 174,238                       | (434)                                  | 173,804         |
| - inter-segment  | 23,279                        | 1,175                         | (23,380)                       | (1,074)                         | -                | -                             | -                                      | -               |
|  | 65,390                        | 73,839                        | 35,997                         | 431                             | (1,419)          | 174,238                       | (434)                                  | 173,804         |
| Net income from Islamic banking business   | 28,250                        | 15,685                        | 11,695                         | -                               | -                | 55,630                        | 7,460                                  | 63,090          |
| Other operating income   | 24,276                        | 33,236                        | 18,066                         | 4,803                           | 9,108            | 89,489                        | (7,119)                                | 82,370          |
| Net income   | 117,916                       | 122,760                       | 65,758                         | 5,234                           | 7,689            | 319,357                       | (93)                                   | 319,264         |
| Other operating expenses   | (69,225)                      | (55,984)                      | (12,025)                       | (6,644)                         | (6,071)          | (149,949)                     | 1,861                                  | (148,088)       |
| Depreciation and amortisation  | (5,780)                       | (4,528)                       | (1,882)                        | (80)                            | (14)             | (12,284)                      | -                                      | (12,284)        |
| Operating profit   | 42,911                        | 62,248                        | 51,851                         | (1,490)                         | 1,604            | 157,124                       | 1,768                                  | 158,892         |
| (Allowance for)/write-back of impairment<br>on loans, advances and financing<br>and other losses | (4,026)                       | 13,026                        | (164)                          | (50)                            | -                | 8,786                         | -                                      | 8,786           |
| Write-back of impairment   | -                             | -                             | 473                            | -                               | -                | 473                           | -                                      | 473             |
| Segment result   | 38,885                        | 75,274                        | 52,160                         | (1,540)                         | 1,604            | 166,383                       | 1,768                                  | 168,151         |
| Share of results of associates   |                               |                               |                                |                                 |                  |                               |  | (1,108)         |
| Taxation and zakat   |                               |                               |                                |                                 |                  |                               |  | (41,770)        |
| Net profit after taxation and zakat  |                               |                               |                                |                                 |                  |                               |  | 125,273         |
| Segment assets   | 14,497,373                    | 10,752,323                    | 16,116,062                     | 253,988                         | 49,887           | 41,669,633                    | (2,125,513)                            | 39,544,120      |
| Reconciliation of segment assets to<br>consolidated assets:                                      |                               |                               |                                |                                 |                  |                               |  |                 |
| Investments in associates  |                               |                               |                                |                                 |                  |                               |  | 25,927          |
| Property, plant and equipment  |                               |                               |                                |                                 |                  |                               |  | 88,444          |
| Unallocated assets   |                               |                               |                                |                                 |                  |                               |  | 13,536          |
| Intangible assets  |                               |                               |                                |                                 |                  |                               |  | 356,032         |
| Total assets   |                               |                               |                                |                                 |                  |                               |  | 40,028,059      |
| Segment Liabilities  | 16,457,492                    | 10,658,798                    | 10,119,075                     | 109,919                         | 18,977           | 37,364,261                    | (1,272,568)                            | 36,091,693      |
| Unallocated liabilities  |                               |                               |                                |                                 |                  |                               |  | 78,300          |
| Total liabilities  |                               |                               |                                |                                 |                  |                               |  | 36,169,993      |

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**A32 Segment information (contd.)**

| <b>Group</b>   | Consumer<br>Banking<br>(Restated)<br>RM'000 | Business<br>Banking<br>(Restated)<br>RM'000 | Financial<br>Markets<br>(Restated)<br>RM'000 | Investment<br>Banking<br>(Restated)<br>RM'000 | Others<br>RM'000 | Total<br>Operations<br>RM'000 | Inter-segment<br>Elimination<br>RM'000 | Total<br>(Restated)<br>RM'000 |
|--|---|---|--|---|------------------|-------------------------------|--|-------------------------------|
| <b>1st Quarter ended 30 June 2011</b>  |   |   |  |   |                  |                               |  |                               |
| Net interest income  |   |   |  |   |                  |                               |  |                               |
| - External income  | 30,802                                      | 71,194                                      | 58,332                                       | 1,168   | -                | 161,496                       | 5,466                                  | 166,962                       |
| - inter-segment  | 25,250                                      | (1,437)                                     | (22,959)                                     | (854)   | -                | -                             | -                                      | -                             |
|  | 56,052                                      | 69,757                                      | 35,373                                       | 314   | -                | 161,496                       | 5,466                                  | 166,962                       |
| Net income from Islamic banking business   | 31,058                                      | 16,815                                      | 7,385  | -   | -                | 55,258                        | 6,619                                  | 61,877                        |
| Other operating income   | 19,677                                      | 38,820                                      | 12,505                                       | 6,397   | 6,046            | 83,445                        | (4,240)                                | 79,205                        |
| Net income   | 106,787                                     | 125,392                                     | 55,263                                       | 6,711   | 6,046            | 300,199                       | 7,845                                  | 308,044                       |
| Other operating expenses   | (62,485)                                    | (48,187)                                    | (9,909)                                      | (6,938)                                       | (4,590)          | (132,109)                     | 445                                    | (131,664)                     |
| Depreciation and amortisation  | (5,505)                                     | (3,793)                                     | (1,482)                                      | (695)   | (19)             | (11,494)                      | -                                      | (11,494)                      |
| Operating profit   | 38,797                                      | 73,412                                      | 43,872                                       | (922)   | 1,437            | 156,596                       | 8,290                                  | 164,886                       |
| Write-back of/(allowance for) impairment<br>on loans, advances and financing<br>and other losses | 3,934                                       | 7,691                                       | (695)  | 29  | -                | 10,959                        | -                                      | 10,959                        |
| Write-back of/(allowance for) impairment   | -   | 2,331                                       | -  | -   | (1,460)          | 871                           | -                                      | 871                           |
| Segment result   | 42,731                                      | 83,434                                      | 43,177                                       | (893)   | (23)             | 168,426                       | 8,290                                  | 176,716                       |
| Share of results of associates   |   |   |  |   |                  |                               |  | (695)                         |
| Taxation and zakat   |   |   |  |   |                  |                               |  | (44,004)                      |
| Net profit after taxation and zakat  |   |   |  |   |                  |                               |  | 132,017                       |
| Segment assets   | 12,259,281                                  | 9,926,506                                   | 17,129,000                                   | 204,792                                       | 65,838           | 39,585,417                    | (2,210,626)                            | 37,374,791                    |
| Reconciliation of segment assets to<br>consolidated assets:                                      |   |   |  |   |                  |                               |  |                               |
| Investments in associates  |   |   |  |   |                  |                               |  | 28,343                        |
| Property, plant and equipment  |   |   |  |   |                  |                               |  | 100,388                       |
| Unallocated assets   |   |   |  |   |                  |                               |  | 93,747                        |
| Intangible assets  |   |   |  |   |                  |                               |  | 357,790                       |
| Total assets   |   |   |  |   |                  |                               |  | 37,955,059                    |
| Segment Liabilities  | 15,713,334                                  | 9,286,616                                   | 10,556,894                                   | 161,257                                       | 41,965           | 35,760,066                    | (1,375,670)                            | 34,384,396                    |
| Unallocated liabilities  |   |   |  |   |                  |                               |  | 57,747                        |
| Total liabilities  |   |   |  |   |                  |                               |  | 34,442,143                    |



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**A32 Segment information (contd.)**

| <b>Group</b>   | Consumer<br>Banking<br>(Restated)<br>RM'000 | Business<br>Banking<br>(Restated)<br>RM'000 | Financial<br>Markets<br>(Restated)<br>RM'000 | Investment<br>Banking<br>(Restated)<br>RM'000 | Others<br>RM'000 | Total<br>Operations<br>RM'000 | Inter-segment<br>Elimination<br>RM'000 | Total<br>(Restated)<br>RM'000 |
|--|---|---|--|---|------------------|-------------------------------|--|-------------------------------|
| <b>As at 30 June 2011</b>  |   |   |  |   |                  |                               |  |                               |
| Net interest income  |   |   |  |   |                  |                               |  |                               |
| - External income  | 30,802                                      | 71,194                                      | 58,332                                       | 1,168   | -                | 161,496                       | 5,466                                  | 166,962                       |
| - inter-segment  | 25,250                                      | (1,437)                                     | (22,959)                                     | (854)   | -                | -                             | -                                      | -                             |
|  | 56,052                                      | 69,757                                      | 35,373                                       | 314   | -                | 161,496                       | 5,466                                  | 166,962                       |
| Net income from Islamic banking business   | 31,058                                      | 16,815                                      | 7,385  | -   | -                | 55,258                        | 6,619                                  | 61,877                        |
| Other operating income   | 19,677                                      | 38,820                                      | 12,505                                       | 6,397   | 6,046            | 83,445                        | (4,240)                                | 79,205                        |
| Net income   | 106,787                                     | 125,392                                     | 55,263                                       | 6,711   | 6,046            | 300,199                       | 7,845                                  | 308,044                       |
| Other operating expenses   | (62,485)                                    | (48,187)                                    | (9,909)                                      | (6,938)                                       | (4,590)          | (132,109)                     | 445                                    | (131,664)                     |
| Depreciation and amortisation  | (5,505)                                     | (3,793)                                     | (1,482)                                      | (695)   | (19)             | (11,494)                      | -                                      | (11,494)                      |
| Operating profit   | 38,797                                      | 73,412                                      | 43,872                                       | (922)   | 1,437            | 156,596                       | 8,290                                  | 164,886                       |
| Write-back of/(allowance for) impairment<br>on loans, advances and financing<br>and other losses | 3,934                                       | 7,691                                       | (695)  | 29  | -                | 10,959                        | -                                      | 10,959                        |
| Write-back of/(allowance for) impairment   | -   | 2,331                                       | -  | -   | (1,460)          | 871                           | -                                      | 871                           |
| Segment result   | 42,731                                      | 83,434                                      | 43,177                                       | (893)   | (23)             | 168,426                       | 8,290                                  | 176,716                       |
| Share of results of associates   |   |   |  |   |                  |                               |  | (695)                         |
| Taxation and zakat   |   |   |  |   |                  |                               |  | (44,004)                      |
| Net profit after taxation and zakat  |   |   |  |   |                  |                               |  | 132,017                       |
| Segment assets   | 12,259,281                                  | 9,926,506                                   | 17,129,000                                   | 204,792                                       | 65,838           | 39,585,417                    | (2,210,626)                            | 37,374,791                    |
| Reconciliation of segment assets to<br>consolidated assets:                                      |   |   |  |   |                  |                               |  |                               |
| Investments in associates  |   |   |  |   |                  |                               |  | 28,343                        |
| Property, plant and equipment  |   |   |  |   |                  |                               |  | 100,388                       |
| Unallocated assets   |   |   |  |   |                  |                               |  | 93,747                        |
| Intangible assets  |   |   |  |   |                  |                               |  | 357,790                       |
| Total assets   |   |   |  |   |                  |                               |  | 37,955,059                    |
| Segment Liabilities  | 15,713,334                                  | 9,286,616                                   | 10,556,894                                   | 161,257                                       | 41,965           | 35,760,066                    | (1,375,670)                            | 34,384,396                    |
| Unallocated liabilities  |   |   |  |   |                  |                               |  | 57,747                        |
| Total liabilities  |   |   |  |   |                  |                               |  | 34,442,143                    |

### A33 Capital Adequacy

The capital adequacy ratios of the Bank and the Group are computed in accordance with BNM's revised Risk-Weighted Capital Adequacy Framework (RWCAF-Basel II). The Bank and the Group have adopted the Standardised Approach for credit risk and market risk, and the Basic Indicator Approach for operational risk. The minimum regulatory capital adequacy requirement is 8.0% (31.03.2012: 8.0%) for the risk-weighted capital ratio.

(a) The capital adequacy ratios of the Bank and the Group are as follows:

|  | <b><u>BANK</u></b>      |                                | <b><u>GROUP</u></b>     |                                |
|--|-------------------------|--------------------------------|-------------------------|--------------------------------|
|  | <b>30 June<br/>2012</b> | 31 March<br>2012<br>(Restated) | <b>30 June<br/>2012</b> | 31 March<br>2012<br>(Restated) |
| <u>Before deducting proposed dividends</u> |                         |                                |                         |                                |
| Core capital ratio                         | <b>13.68%</b>           | 14.23%                         | <b>12.05%</b>           | 12.37%                         |
| Risk-weighted capital ratio                | <b>13.69%</b>           | 14.28%                         | <b>15.17%</b>           | 15.62%                         |
| <u>After deducting proposed dividends</u>  |                         |                                |                         |                                |
| Core capital ratio                         | <b>13.09%</b>           | 13.63%                         | <b>11.57%</b>           | 11.88%                         |
| Risk-weighted capital ratio                | <b>13.11%</b>           | 13.68%                         | <b>14.70%</b>           | 15.13%                         |

Components of Tier I and Tier II capital are as follows:

|   | <b><u>BANK</u></b>      |                                | <b><u>GROUP</u></b>     |                                |
|---|-------------------------|--------------------------------|-------------------------|--------------------------------|
|   | <b>30 June<br/>2012</b> | 31 March<br>2012<br>(Restated) | <b>30 June<br/>2012</b> | 31 March<br>2012<br>(Restated) |
|   | <b>RM'000</b>           | RM'000                         | <b>RM'000</b>           | RM'000                         |
| <b><u>Tier I Capital (Core Capital)</u></b>             |                         |                                |                         |                                |
| Paid-up share capital                                   | <b>596,517</b>          | 596,517                        | <b>596,517</b>          | 596,517                        |
| ICPS  | <b>4,000</b>            | 4,000                          | <b>4,000</b>            | 4,000                          |
| Share premium   | <b>597,517</b>          | 597,517                        | <b>597,517</b>          | 597,517                        |
| Retained profits  | <b>1,397,888</b>        | 1,397,888                      | <b>1,517,252</b>        | 1,517,252                      |
| Statutory reserves                                      | <b>601,561</b>          | 601,561                        | <b>842,167</b>          | 842,167                        |
| Other reserves  | -                       | -                              | <b>10,018</b>           | 10,018                         |
| Non-controlling interests                               | -                       | -                              | <b>4,905</b>            | 4,905                          |
|   | <b>3,197,483</b>        | 3,197,483                      | <b>3,572,376</b>        | 3,572,376                      |
| Less: Purchased goodwill / goodwill<br>on consolidation | <b>(186,272)</b>        | (186,272)                      | <b>(302,065)</b>        | (302,065)                      |
| Deferred tax assets                                     | -                       | -                              | <b>(13,536)</b>         | (15,038)                       |
| Total Tier I capital                                    | <b>3,011,211</b>        | 3,011,211                      | <b>3,256,775</b>        | 3,255,273                      |
| <b><u>Tier II Capital</u></b>                           |                         |                                |                         |                                |
| Subordinated obligations                                | <b>597,915</b>          | 597,829                        | <b>597,915</b>          | 597,829                        |
| Collective assessment allowance                         | <b>206,380</b>          | 214,419                        | <b>249,693</b>          | 260,666                        |
| Total Tier II capital                                   | <b>804,295</b>          | 812,248                        | <b>847,608</b>          | 858,495                        |
| Total Capital   | <b>3,815,506</b>        | 3,823,459                      | <b>4,104,383</b>        | 4,113,768                      |
| Less: Investment in subsidiaries                        | <b>(801,664)</b>        | (801,664)                      | <b>(3,620)</b>          | (3,620)                        |
| Total Capital Base                                      | <b>3,013,842</b>        | 3,021,795                      | <b>4,100,763</b>        | 4,110,148                      |

The comparative capital adequacy ratios and components of capital base have been restated for the effects of the change in accounting policy on collective assessment allowance for loans, advances and financing during the financial period. Please refer to Note A34 Changes in Accounting Policies for a summary of the changes.

**A33 Capital Adequacy (contd.)**

(b) The capital adequacy ratios of the banking subsidiaries are as follows:

|  | Alliance<br>Islamic<br>Bank<br>Berhad | Alliance<br>Investment<br>Bank<br>Berhad |
|--|---------------------------------------|--|
| <b>30 June 2012</b>                        |                                       |  |
| <u>Before deducting proposed dividends</u> |                                       |  |
| Core capital ratio                         | <b>12.79%</b>                         | <b>72.15%</b>                            |
| Risk-weighted capital ratio                | <b>13.74%</b>                         | <b>72.32%</b>                            |
| <u>After deducting proposed dividends</u>  |                                       |  |
| Core capital ratio                         | <b>11.98%</b>                         | <b>70.58%</b>                            |
| Risk-weighted capital ratio                | <b>12.93%</b>                         | <b>70.75%</b>                            |
| <b>31 March 2012 (Restated)</b>            |                                       |  |
| <u>Before deducting proposed dividends</u> |                                       |  |
| Core capital ratio                         | 13.00%                                | 58.39%                                   |
| Risk-weighted capital ratio                | 14.04%                                | 58.51%                                   |
| <u>After deducting proposed dividends</u>  |                                       |  |
| Core capital ratio                         | 12.17%                                | 57.13%                                   |
| Risk-weighted capital ratio                | 13.21%                                | 57.25%                                   |

**Note**

- (i) The capital adequacy ratios of Alliance Islamic Bank Berhad are computed in accordance with BNM's Capital Adequacy Framework for Islamic Banks (CAFIB). The Bank has adopted the Standardised Approach for credit risk and market risk, and Basic Indicator Approach for operational risk. The minimum regulatory capital adequacy requirement is 8.0% (31.03.2012: 8.0%) for the risk-weighted capital ratio.
- (ii) The capital adequacy ratios of AIBB are computed in accordance with BNM's revised Risk-weighted Capital Adequacy Framework (RWCAF-Basel II). The Bank and the Group have adopted the Standardised Approach for credit risk and market risk, and the Basic Indicator Approach for operational risk. The minimum regulatory capital adequacy requirement is 8.0% (31.03.2012: 8.0%) for the risk-weighted capital ratio.

**A33 Capital Adequacy (contd.)**

(c) The breakdown of risk-weighted assets ("RWA") by exposures in each major risk category are as follows:

|                                    | <u>BANK</u>       |            | <u>GROUP</u>      |            |
|------------------------------------|-------------------|------------|-------------------|------------|
|                                    | <b>30 June</b>    | 31 March   | <b>30 June</b>    | 31 March   |
|                                    | <b>2012</b>       | 2012       | <b>2012</b>       | 2012       |
|                                    | <b>RM'000</b>     | RM'000     | <b>RM'000</b>     | RM'000     |
| Credit risk                        | <b>19,953,830</b> | 19,074,667 | <b>24,414,898</b> | 23,601,495 |
| Market risk                        | <b>101,491</b>    | 157,119    | <b>121,580</b>    | 265,432    |
| Operational risk                   | <b>1,961,046</b>  | 1,925,797  | <b>2,491,261</b>  | 2,445,524  |
| Total RWA and capital requirements | <b>22,016,367</b> | 21,157,583 | <b>27,027,739</b> | 26,312,451 |

**A34 Change in Accounting Policies**

During the current reporting period, the Bank and the Group adopted MFRS 139 "Financial Instruments: Recognition and Measurement" ("MFRS 139") - Accounting Policy on Collective Assessment Allowance for Loans, Advances and Financing ("loans/financing").

Prior to the transition to MFRS 139, the Bank and the Group had maintained collective assessment allowance at 1.5% of total outstanding loans/financing, net of individual assessment allowance, in line with Bank Negara Malaysia's transitional provisions under its Guidelines on Classification and Impairment Provisions for Loans/Financing. Upon the adoption of MFRS 139 on 1 January 2012, these transitional provisions, which were allowed under the previous FRS framework, were removed. The Bank and the Group have applied the requirements of MFRS 139 in the determination of collective assessment allowance.

Under MFRS 139, collective assessment is performed on loans/financing which are not individually significant based on the incurred loss approach. Loans/financing which are individually assessed and where there is no objective evidence of impairment are also included in the group of loans/financing for collective assessment. These loans/financing are pooled into groups with similar credit risk characteristics and the future cash flows for each group is estimated on the basis of the historical loss experience for such assets and discounted to present value. Collective assessment allowance is made on any shortfall in these discounted cash flows against the carrying value of the group of loans/financing.

This change in accounting policy has been accounted for retrospectively and has resulted in a decrease in the collective assessment allowance charged in the statement of comprehensive income and a write-back of collective assessment allowance to the opening retained profits and opening collective assessment allowance in the statements of financial position.

**A34 Change in Accounting Policies (Contd.)**

A summary of the financial impact of the change in accounting policy on the financial statements of the Bank and the Group are as follows:

(a) Impact on the statements of financial position

|                                       | <b>As<br/>previously<br/>reported<br/>RM'000</b> | <b>Effect on full<br/>adoption of<br/>MFRS 139<br/>RM'000</b> | <b>As<br/>restated<br/>RM'000</b> |
|---------------------------------------|--|---|-----------------------------------|
| <b>As at 31 March 2012</b>            |  |   |                                   |
| <b><u>BANK</u></b>                    |  |   |                                   |
| <b>ASSETS</b>                         |  |   |                                   |
| Loans, advances and financing         | 19,727,393                                       | 85,212  | 19,812,605                        |
| - Gross loans, advances and financing | 20,215,279                                       | 23,927  | 20,239,206                        |
| - Individual assessment allowance     | (225,092)  | 92,829  | (132,263)                         |
| - Collective assessment allowance     | (300,801)  | (31,544)  | (332,345)                         |
| Tax recoverable                       | 14,022   | (14,022)  | -                                 |
| <b>LIABILITIES AND EQUITY</b>         |  |   |                                   |
| Provision for taxation                | -  | (7,281)   | (7,281)                           |
| Retained profits                      | (1,333,979)                                      | (63,909)  | (1,397,888)                       |
| <b><u>GROUP</u></b>                   |  |   |                                   |
| <b>ASSETS</b>                         |  |   |                                   |
| Balances Due From Clients And Brokers | 61,698   | 66  | 61,764                            |
| Loans, advances and financing         | 24,360,203                                       | 128,629   | 24,488,832                        |
| - Gross loans, advances and financing | 24,984,046                                       | 28,101  | 25,012,147                        |
| - Individual assessment allowance     | (266,349)  | 109,735   | (156,614)                         |
| - Collective assessment allowance     | (386,017)  | (9,207)   | (395,224)                         |
| Tax recoverable                       | 15,019   | (15,019)  | -                                 |
| <b>LIABILITIES AND EQUITY</b>         |  |   |                                   |
| Provision for taxation                | (7,372)  | (17,155)  | (24,527)                          |
| Retained profits                      | (1,420,731)                                      | (96,521)  | (1,517,252)                       |
| <b>As at 1 April 2011</b>             |  |   |                                   |
| <b><u>BANK</u></b>                    |  |   |                                   |
| <b>ASSETS</b>                         |  |   |                                   |
| Loans, advances and financing         | 17,718,442                                       | 75,912  | 17,794,354                        |
| - Gross loans, advances and financing | 18,224,239                                       | 30,608  | 18,254,847                        |
| - Individual assessment allowance     | (273,141)  | 132,557   | (140,584)                         |
| - Collective assessment allowance     | (270,378)  | (87,253)  | (357,631)                         |
| Deferred tax assets                   | 75,272   | (18,978)  | 56,294                            |
| <b>LIABILITIES AND EQUITY</b>         |  |   |                                   |
| Retained profits                      | (1,148,228)                                      | (56,934)  | (1,205,162)                       |

**A34 Change in Accounting Policies (Contd.)**

A summary of the financial impact of the change in accounting policy on the financial statements of the Bank and the Group are as follows (contd.):

(a) Impact on the statements of financial position (contd.)

| <b>As at 1 April 2011</b>             | <b>As previously reported<br/>RM'000</b> | <b>Effect on full adoption of<br/>MFRS 139<br/>RM'000</b> | <b>As restated<br/>RM'000</b> |
|---------------------------------------|--|---|-------------------------------|
| <b><u>GROUP</u></b>                   |  |   |                               |
| <b>ASSETS</b>                         |  |   |                               |
| Balances Due From Clients And Brokers | 80,519                                   | 24  | 80,543                        |
| Loans, advances and financing         | 21,796,319                               | 97,631  | 21,893,950                    |
| - Gross loans, advances and financing | 22,439,361                               | 34,157  | 22,473,518                    |
| - Individual assessment allowance     | (328,375)                                | 154,620   | (173,755)                     |
| - Collective assessment allowance     | (339,636)                                | (91,146)  | (430,782)                     |
| Deferred tax assets                   | 108,808                                  | (25,016)  | 83,792                        |
| <b>LIABILITIES AND EQUITY</b>         |  |   |                               |
| Deferred tax liabilities              | (6,792)                                  | 602   | (6,190)                       |
| Retained profits                      | (1,194,222)                              | (73,241)  | (1,267,463)                   |

(b) Impact on the statements of comprehensive income

| <b>1st Quarter ended 30 June 2011</b>                                  | <b>As previously reported<br/>RM'000</b> | <b>Effect on full adoption of<br/>MFRS 139<br/>RM'000</b> | <b>As restated<br/>RM'000</b> |
|--|--|---|-------------------------------|
| <b><u>BANK</u></b>   |  |   |                               |
| Interest income  | 307,723                                  | (2,743)   | 304,980                       |
| Allowance for losses on loans, advances and financing and other losses | 14,808                                   | (4,102)   | 10,706                        |
| Profit before taxation   | 140,683                                  | (6,845)   | 133,838                       |
| Taxation   | (35,366)                                 | 1,711   | (33,655)                      |
| Net profit after taxation  | 105,317                                  | (5,134)   | 100,183                       |
| Earnings per share attributable to owner of the parent                 |  |   |                               |
| - Basic (sen)  | 17.7                                     | (0.9)   | 16.8                          |
| - Diluted (sen)  | 13.2                                     | (0.6)   | 12.6                          |
| <b><u>GROUP</u></b>  |  |   |                               |
| Interest income  | 328,935                                  | (2,760)   | 326,175                       |
| Net income from Islamic banking business                               | 61,827                                   | 50  | 61,877                        |
| Write-back of losses on loans, advances and financing and other losses | 7,972                                    | 2,987   | 10,959                        |
| Profit before taxation   | 175,744                                  | 277   | 176,021                       |
| Taxation   | (43,936)                                 | (68)  | (44,004)                      |
| Net profit after taxation  | 131,808                                  | 209   | 132,017                       |
| Earnings per share attributable to owner of the parent                 |  |   |                               |
| - Basic (sen)  | 22.1                                     | 0.0   | 22.1                          |
| - Diluted (sen)  | 16.5                                     | 0.0   | 16.5                          |

**A34 Change in Accounting Policies (Contd.)**

A summary of the financial impact of the change in accounting policy on the financial statements of the Bank and the Group are as follows (contd.):

(c) Impact on capital adequacy

| As at 31 March 2012                        | <b><u>BANK</u></b>                     |                          | <b><u>GROUP</u></b>                    |                          |
|--|--|--------------------------|--|--------------------------|
|  | As<br>previously<br>reported<br>RM'000 | As<br>restated<br>RM'000 | As<br>previously<br>reported<br>RM'000 | As<br>restated<br>RM'000 |
| <u>Before deducting proposed dividends</u> |  |                          |  |                          |
| Core capital ratio                         | 13.93%                                 | 14.23%                   | 12.00%                                 | 12.37%                   |
| Risk-weighted capital ratio                | 14.37%                                 | 14.28%                   | 15.71%                                 | 15.62%                   |
| <u>After deducting proposed dividends</u>  |  |                          |  |                          |
| Core capital ratio                         | 13.32%                                 | 13.63%                   | 11.52%                                 | 11.88%                   |
| Risk-weighted capital ratio                | 13.76%                                 | 13.68%                   | 15.22%                                 | 15.13%                   |
| Total Tier I capital                       | 2,947,302                              | 3,011,211                | 3,158,752                              | 3,255,273                |
| Total Tier II capital                      | 894,327                                | 812,248                  | 978,848                                | 858,495                  |
| Total Capital Base                         | 3,039,965                              | 3,021,795                | 4,133,980                              | 4,110,148                |

## **PART B - Review of Performance & Current Year Prospect**

### **B1 Review of Performance**

With effect from 1 April 2012, the Group had converged to the Malaysian Financial Reporting Standards ("MFRS") accounting framework, which is equivalent to the International Financial Reporting Standards ("IFRS") framework issued by International Accounting Standards Board ("IASB"). A major consequence of this transition to the MFRS framework was the change in the accounting policy for collective assessment on the Group's loans, which was adopted with retrospective effect.

As a result of the above change in accounting policy, the comparative profit before taxation for the 1st quarter ended 30 June 2011 have been restated from RM175.7 million to RM176.0 million.

The following analyses are based on the restated comparative results:-

For the current quarter under review, Alliance Bank and its subsidiaries ("the Group") recorded profit before taxation of RM167.0 million, a decrease of 5.1% compared to the corresponding quarter last year due to higher overhead expenses.

The Group net interest income including Islamic financing income grew by 3.5% on the back of the loans growth. Year-on-year loan growth was 14.2%, with total loans outstanding rising from RM22.6 billion to RM25.9 billion; while customer deposits growth was 9.1% to RM31.6 billion. The loans to deposits ratio remained stable at 81.8% as of 30 June 2012.

Other operating income registered a 4.0% growth mainly due to higher fee income and gains from treasury trading and investment activities. The non-interest income ratio improved from 26.6% a year ago to 27.3%. Overheads expenses rose by 12.0% and the cost to income ratio stood at 50.2% due to continued investment in its human capital and upgrading of technology and infrastructure to support the on-going business expansion.

Reflecting on the on-going efforts to improve asset quality, the Group's net impaired ratio had improved to 2.4%, as compared to 3.0% as of 30 June 2011. Risk-weighted capital ratio remained strong at 14.7%, with core capital ratio at 11.6%.

#### Performance by business segment

The Group's businesses are presented in the following business segments: Consumer Banking, Business Banking, Financial Markets and Investment Banking.

Consumer Banking provides a wide range of personal banking solutions covering mortgages, term loans, personal loans, hire purchase facilities, credit cards and wealth management. For the current quarter ended 30 June 2012 Consumer Banking registered profit before taxation of RM38.9 million, 9.0% lower compared to same period last year due to net bad debts of RM4.0 million. The loans growth had accelerated to 11.7% compared to a decline of 3.8% in the corresponding period. Segment assets increased by 18.3% to RM14.5 billion as at 30 June 2012.

Business Banking covers Small and Medium Enterprise and Wholesale Banking. For the current quarter ended 30 June 2012, Business Banking registered profit before taxation of RM75.3 million, 9.8% lower compared to RM83.4 million same period last year. The decrease was mainly due to higher overheads and lower non-interest income. Segment assets grew by 8.3% to RM10.8 billion as at 30 June 2012.

Financial Markets provide foreign exchange, money market, hedging, wealth management and investment (capital market instruments) solutions for banking customers. For the current quarter ended 30 June 2012, Financial Markets recorded profit before taxation of RM52.2 million, an improvement of 20.8% compared to same period last year. The increase was mainly due to higher net income and capital gains from active portfolio management.

Investment Banking covers stockbroking activities and corporate advisory. It reported a loss before taxation of RM1.5 million due to lower brokerage income.



## **B2 Current Year Prospect**

Against the background of GDP growth of 4% to 5% in 2012, the Group expects demand for financing and non-interest income business activities to be sustained. The Group will continue to focus on existing business opportunities in Consumer Banking and Business Banking, while enhancing Treasury and Transaction Banking and developing the Wealth Management and Investment Banking business.

In FY2013, we expect sustainable loans growth in Consumer Banking, supported at the current moderate level. The business growth is supported by growth in retail lending and customer deposits. Consumer Banking is expanding its hire purchase business while focusing on existing business opportunities. Consumer Banking will also focus on growing non-interest income through further expansion of its wealth management, bancassurance and treasury business activities, and range of products. At the same time, Consumer Banking will continue to enhance customer experience and frontline experience.

The Business Banking Segment covers Small and Medium Enterprise ("SME") and Wholesale banking. In 1Q FY13, the lending activities of Business Banking are expected to grow moderately, supported by the continuing demand for credit by businesses, arising from the implementation of projects under the Economic Transformation Programme as well as the Government's efforts to support the growth of private sector businesses.

The segment will continue to focus on cross-selling efforts to grow non-interest income in transaction banking, foreign exchange, investment banking, business platinum card, and bancassurance products.

Financial Market will continue to focus on the trading of fixed income securities, primarily Government securities and private debt securities, foreign exchange as well as treasury sales.

The capital markets are expected to remain competitive and volatile. The Group's investment banking will expand its business operations by leveraging on the Group's Business Banking customers. The segment will also continue to improve its brokerage business, both retail and institutional broking by further strengthening its service delivery channels and research capabilities.

### Conclusion

The Group expects to deliver a satisfactory performance for the financial year ending 31 March 2013.